

James M. Brown Limited

Report, Accounts and Information for Directors

31 December 2021

Registered Number: 00382434



James M. Brown Limited

Registered No. 00382434

DIRECTORS

M G Hughes (Chairman)
J N Perrie
W P Alexander

SECRETARY

N Simcock

AUDITORS

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

BANKERS

Bank of Scotland
33 Old Broad Street
London EC2N 1HZ

REGISTERED OFFICE

Napier Street
Fenton
Stoke-on-Trent
Staffordshire ST4 4NX

James M. Brown Limited

STRATEGIC REPORT**STRATEGIC REPORT**

The directors present their Strategic report for the year ended 31 December 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is engaged in the manufacture and sale of pigments and inorganic chemicals in both the UK and overseas markets.

The COVID-19 pandemic affected the Company's trading performance following the Government enforced lockdown in March 2020. Based on the experience of dealing with the effects of the pandemic throughout 2020, the directors have assessed the risk arising and consider the impact to be limited. Although the longer term impact is harder to evaluate, the directors are confident that the Company remains sufficiently strong to withstand such potential adverse effect on the Company's business activities.

The company has exposure to foreign currencies due to selling and purchasing some of its products in Euros and US Dollars. Wherever possible, the company uses foreign currency generated from sales to fund purchases made in that currency.

The company's credit risk is primarily attributable to its trade debtors. The company has no significant concentration of credit risk, with exposure spread over a number of customers. The amounts presented in this statement of financial position for trade debtors are net of allowances for doubtful debts.

The Company does not operate in Eastern Europe and has no direct exposure to either Russia or Ukraine. We do not believe that any of our major customers have a material exposure to these markets. The Board is monitoring the wider economic situation, but, at this time, does not anticipate any significant impact to the Company from the conflict.

TRENDS LIKELY TO AFFECT THE FUTURE DEVELOPMENT OF THE BUSINESS

Environmental legislation continues to pose the principal risk to the future of the business. The business environment in which we operate continues to be challenging. With these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control. We will continue to show flexibility and respond to market conditions as they arise.

The directors are pleased to report that the company's operations are conducted such that the company complies with all legal requirements and especially those relating to the environment and health and safety.

KEY PERFORMANCE INDICATORS

To assist in the monitoring of the company's performance, the following key performance indicators are used:

	2021	2020
Operating profit	£3.1m	£2.1m
Profit before taxation	£3.5m	£2.5m
Liquidity (Current assets / current liabilities)	6.6	5.9

All source data is taken from the audited financial statements.

ANALYSIS OF THE PERFORMANCE DURING THE YEAR

The company has reported a profit after tax for the year of £2.9m (2020: £2.0m) which has been transferred to accumulated profits.



By order of the board

J N Perrie

Director

Date: 15 March 2022

James M. Brown Limited

DIRECTORS REPORT

DIRECTORS REPORT

The directors present their report and the audited financial statements of the Company for the period ended 31 December 2021.

FUTURE DEVELOPMENTS

For future developments, please refer strategic report on page 2 above.

GOING CONCERN

A summary of the principal uncertainties are presented in the Strategic report on page 2. There are no material uncertainties related to events or conditions that cast significant doubt about the ability of the Company to continue as a going concern. The directors have reviewed the company's future cash forecasts and revenue projections, which have been prepared on the basis of past experience, market information and trading conditions and believe that it is appropriate to prepare the financial statements of the Company on a going concern basis.

EMPLOYEES

Employees are kept informed of matters concerning them by means of meetings, notices and direct communication.

MARKET VALUE OF LAND AND BUILDINGS

In the opinion of the directors the market value of freehold land and buildings exceeds its book value but, in the absence of a professional valuation, they are unable to quantify the amount.

DIVIDENDS

Dividends of £2,000,000 (2020: £2,000,000) were paid during the year.

DIRECTORS

The current directors of the company are Mr M G Hughes, Mr J N Perrie and Mr W P Alexander.

James M. Brown Limited

DIRECTORS REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

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. 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 laws), including Financial reporting Standard 102 'The financial reporting standard applicable in the UK and the Republic of Ireland'. 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 profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

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 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.

Statement of disclosure of information to auditors

The directors confirm that:

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

By order of the board



J N Perrie

Director

Date: 15 March 2022

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JAMES M. BROWN LIMITED
(REGISTERED NO. 00382434)**

Opinion

We have audited the financial statements of James M. Brown Limited (the 'company') for the year ended 31 December 2021, which comprise Statement of Comprehensive Income, Statement of Financial Position, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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.

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

Matters on which we are required to report by exception

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.

Responsibilities of directors for the financial statements

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 is 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Explanation as to what extent the audit was considered 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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated the results of our enquires to relevant supporting documentation.
- The company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur: financial reporting legislation, environmental legislation, tax legislation, anti-bribery legislation and employment law.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud.
- Audit procedures performed by the engagement team included:
 - o evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
 - o testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - o identifying and testing related party transactions
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

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.



Sergio Cardoso
Senior Statutory Auditor
for and on behalf of: Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London

Date: 15 March 2022

James M Brown Limited

		2021 £'000	2020 £'000
TURNOVER	2	16,498	14,336
Change in stocks of finished goods and work in progress		303	(499)
Other operating income		-	60
		<u>16,801</u>	<u>13,897</u>
Raw materials and consumables		8,598	6,649
Other external charges		1,621	1,279
Staff costs	3	2,679	2,894
Depreciation and amortisation of owned fixed assets		158	118
Other operating charges		606	832
		<u>13,662</u>	<u>11,772</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES	5	3,139	2,125
Interest receivable		-	21
Income from investments		407	395
		<u>3,546</u>	<u>2,541</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,546	2,541
Tax on profit on ordinary activities	6	677	501
		<u>2,869</u>	<u>2,040</u>
PROFIT / TOTAL COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD		<u><u>2,869</u></u>	<u><u>2,040</u></u>

James M Brown Limited

STATEMENT OF FINANCIAL POSITION
31 March 2022

		2021 £'000	2020 £'000
FIXED ASSETS			
Tangible assets	7	878	760
Investments	8	12,236	12,236
		<u>13,114</u>	<u>12,996</u>
CURRENT ASSETS			
Stocks	9	3,336	3,394
Debtors	10	3,338	2,813
Cash at bank and in hand		5,818	5,646
		<u>12,492</u>	<u>11,853</u>
CREDITORS: amounts falling due within one year	11	1,885	1,997
NET CURRENT ASSETS		<u>10,607</u>	<u>9,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>23,721</u>	<u>22,852</u>
NET ASSETS		<u><u>23,721</u></u>	<u><u>22,852</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	4,950	4,950
General reserve	13	850	850
Profit and loss account	13	17,921	17,052
SHAREHOLDERS' FUNDS		<u><u>23,721</u></u>	<u><u>22,852</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 March 2022 and signed on its behalf by:



J N Perrie
Director

The notes on pages 11 to 19 form part of these financial statements.

James M Brown Limited

	<i>Share capital £'000</i>	<i>General reserve £'000</i>	<i>Profit and loss account £'000</i>	<i>Total £'000</i>
At 1 January 2020	4,950	850	17,012	22,812
Profit and total comprehensive income for the year	-	-	2,040	2,040
Dividends paid (Note 14)	-	-	(2,000)	(2,000)
At 31 December 2020	<u>4,950</u>	<u>850</u>	<u>17,052</u>	<u>22,852</u>
Profit and total comprehensive income for the year	-	-	2,869	2,869
Dividends paid (Note 14)	-	-	(2,000)	(2,000)
At 31 December 2021	<u><u>4,950</u></u>	<u><u>850</u></u>	<u><u>17,921</u></u>	<u><u>23,721</u></u>

James M. Brown Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2021

1. ACCOUNTING POLICIES

Statement of compliance

James M. Brown Limited is a limited liability company incorporated in England. The registered office is Napier Street, Fenton, Stoke-on-Trent, ST4 4NX.

Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below. The accounts present information about the company as an individual undertaking and not about its group. The company is not required to prepare and deliver group accounts, as it is a wholly owned subsidiary of an EU parent company.

The company has adopted the following disclosure exemptions:

- the requirement to present a statement of cashflows and related notes;
- financial instrument disclosures including:
 - o categories of financial instruments;
 - o items of income, expense, gains or losses relating to financial instruments; and
 - o exposure to and management of financial risks;
 - o the requirement to disclose related party transactions that have taken place with other members of the group, under FRS102 section 33.

The financial statements are presented in Sterling (£). The accounting policies remain unchanged from the prior year.

The uncertainty as to the impact on the Company of the COVID-19 pandemic has been considered as part of the adoption of the going concern basis. This has included consideration of a number of possible scenarios, including modelling for reduced revenues and operating margins and the demand on the cash reserves.

The Company does not operate in Eastern Europe and has no direct exposure to either Russia or Ukraine. We do not believe that any of our major customers have a material exposure to these markets. The Board is monitoring the wider economic situation, but, at this time, does not anticipate any significant impact to the Company from the conflict.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing the stocks to their present location and condition and, in the case of work-in-progress and finished goods, an appropriate addition for production overheads. Net realisable value is the market price for materials.

Fixed assets

Fixed assets are stated at cost, net of depreciation and any provisions for impairment.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Freehold buildings	-	over 20 years
Plant and machinery	-	over 3 to 10 years
Motor vehicles	-	over 4 years

James M. Brown Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2021

1. ACCOUNTING POLICIES (continued)

Fixed asset investments

The carrying values of investments are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable

Foreign currencies

Transactions in foreign currencies are recorded at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange ruling at the statement of financial position date. All differences are taken to profit or loss.

Related Party Transactions

The company has taken advantage of the exemption not to disclose related party transactions with other members of the group under FRS102 section 33 - Related Party Disclosures, as it is a wholly owned subsidiary.

Turnover

Turnover represents the invoiced value of goods sold, stated net of value added tax, after deducting all credit notes, allowances and principally relates to one activity, the manufacture and sale of pigments and inorganic chemicals.

Pension benefits

The company participates in the Tennants Consolidated Limited Pension Fund, operated by the ultimate parent company. Formerly a defined benefit scheme, on 31 January 2002 the defined benefit section was placed on a paid up basis and all members were invited to join a defined contribution section from that date.

Defined benefit section:

Pension benefits are funded over the employees' periods of service. The cost is calculated by an independent, qualified actuary and deficiencies or surpluses arising from triennial valuations of the group's scheme are amortised over the remaining service lives of employees.

It is not possible to identify the company's share of the underlying assets and liabilities on a consistent and reasonable basis and therefore the company accounts for contributions as if they were being paid into a defined contribution scheme.

Defined contribution section:

Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Provision is made in full on an undiscounted basis for all taxation deferred in respect of timing differences that have originated but not reversed by the statement of financial position date, except for gains on disposal of fixed assets that will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

Investments

Investments are carried at cost.

James M. Brown Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2021

1. ACCOUNTING POLICIES (continued)

Investment income

Interest on bank deposits is taken into account on an accruals basis. Income from other investments is accounted for when received.

Dividends

Dividends receivable are recognised as income when received. Related tax credits are reflected in the tax charge for the year. Dividends payable are shown as a deduction from accumulated profits.

Provisions

Provisions are recognised as a liability in the financial statements when the company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation.

Research and Development

Research and development expenditure is written off in the year in which it is incurred.

2. TURNOVER

	2021 £'000	2020 £'000
United Kingdom	9,372	7,683
Export	7,126	6,653
	<u>16,498</u>	<u>14,336</u>

The Directors have elected not to disclose turnover analysed by class of business on the basis that the information would be seriously prejudicial to the interests of the company.

3. STAFF COSTS

	2021 £'000	2020 £'000
Wages and salaries	2,146	2,288
Social security costs	216	242
Pension costs for the defined contribution scheme (Note 15)	252	299
Additional contribution for the shortfall in the ultimate parent company's defined benefit pension scheme (Note 15)	65	65
	<u>2,679</u>	<u>2,894</u>

James M. Brown Limited

NOTES TO THE FINANCIAL STATEMENTS
 at 31 December 2021

The average number of persons employed by the company during the year, including directors, was as follows:

	2021 No.	2020 No.
Management and administration	16	18
Sales	3	2
Production	43	43
	<u>62</u>	<u>63</u>

4. DIRECTORS' EMOLUMENTS

	2021 £'000	2020 £'000
Emoluments (including benefits-in-kind)	151	475
Contributions to money purchase pension scheme	9	35
	<u>160</u>	<u>510</u>

	2021 No.	2020 No.
Members of defined benefit pension schemes	0	1
Members of defined contribution pension schemes	1	3
	<u>1</u>	<u>4</u>

The aggregate emoluments of the highest paid director was £151,000 (2020: £318,000) and company pension contribution of £9,000 (2020: £25,000) were made to a money purchase scheme on behalf of Director.

5. OPERATING PROFIT

	2021 £'000	2020 £'000
This is stated after charging:		
Net (gain) / loss on foreign currency transactions	(7)	106
Hire of plant and machinery	20	14
Auditors' remuneration	17	16
Fees for non-audit services	3	3
Depreciation of tangible fixed assets	158	118
	<u>190</u>	<u>257</u>

James M. Brown Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2021

6. TAXATION OF PROFIT ON ORDINARY ACTIVITIES

	2021 £'000	2020 £'000
Current tax:		
Group relief payable	590	438
Overseas tax suffered	61	59
	<u>651</u>	<u>497</u>
Deferred tax charge	26	4
Tax on profit on ordinary activities	<u>677</u>	<u>501</u>

Factors affecting the tax charge for the period:

The tax assessed for the period is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020:19%). The difference is explained below:

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	<u>3,546</u>	<u>2,541</u>
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK of 19% (2020:19%)	674	483
Expenses not deductible for tax purposes	1	1
Income not allowable for tax purposes	(1)	-
Depreciation for period (less than) / in excess of capital allowances	(4)	3
Remeasurement of deferred tax for changes	6	(1)
Foreign tax credits	1	15
	<u>677</u>	<u>501</u>

Deferred tax liability / (asset)

	2021 £'000	2020 £'000
Accelerated capital allowances	56	22
Other timing differences	(31)	(23)
	<u>25</u>	<u>(1)</u>

James M. Brown Limited

NOTES TO THE FINANCIAL STATEMENTS at 31 December 2021

7. TANGIBLE FIXED ASSETS

	<i>Freehold land and buildings £'000</i>	<i>Motor vehicles £'000</i>	<i>Plant and Machinery £'000</i>	<i>Total £'000</i>
Cost:				
At 31 December 2020	1,777	57	5,096	6,930
Additions	-	-	276	276
At 31 December 2021	1,777	57	5,372	7,206
Depreciation:				
At 31 December 2020	1,549	53	4,568	6,170
Charged for the year	13	4	141	158
At 31 December 2021	1,562	57	4,709	6,328
Net book value:				
At 31 December 2021	215	-	663	878
At 31 December 2020	228	4	528	760

Freehold land and buildings

The gross book value of freehold land and buildings includes £1,663,000 (2020: £1,663,000) of depreciable assets.

8. INVESTMENTS

<i>Name of company</i>	<i>Country of registration</i>	<i>Holding</i>	<i>%</i>	<i>Principal activity</i>	<i>Year end</i>
Multicel Pigmentos Industria e Commercials Ltda	Brazil	Quotas	100%	Manufacturing	31 Dec 2021

James M. Brown Limited is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

At 31 December 2020 & 31 December 2021	£'000 12,236
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Multicel had an aggregate amount of capital and reserves of 84,165,000 Brazilian Reais at 31 December 2021. The profit after taxation for the year ended 31 December 2021 was 16,478,000 Brazilian Reais.

James M. Brown Limited

NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2021

9. STOCKS

	2021 £'000	2020 £'000
Raw materials and consumables	1,126	1,487
Work in progress	127	137
Finished goods and goods for resale	2,083	1,770
	<u>3,336</u>	<u>3,394</u>

Stocks are stated at the lower of the purchase/production cost and net realisable value.

10. DEBTORS

	2021 £'000	2020 £'000
Amounts falling due within one year:		
Trade debtors	3,237	2,705
Allowance for bad & doubtful debts	(126)	(126)
Amounts owed by subsidiary undertaking	-	49
Amounts owed by fellow subsidiary undertakings	28	1
Other debtors	4	10
Deferred tax	-	1
Prepayments and accrued income	195	173
	<u>3,338</u>	<u>2,813</u>

11. CREDITORS: Amounts falling due within one year

	2021 £'000	2020 £'000
Trade creditors	1,175	1,369
Amount owed to parent undertaking	89	-
Amounts owed to subsidiary undertaking	24	-
Amounts owed to fellow subsidiary undertakings	-	17
Corporation tax	29	38
Deferred tax liability	25	-
Other taxes and social security costs	333	308
Accruals	210	265
	<u>1,885</u>	<u>1,997</u>

12. SHARE CAPITAL

	2021	<i>Authorised</i> 2020
Ordinary shares of £1 each	500	500
"B" ordinary shares of £1 each	4,500	4,500
	<u>5,000</u>	<u>5,000</u>

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NOTES TO THE FINANCIAL STATEMENTS

at 31 December 2021

	<i>Allotted, called up and fully paid</i>			
	<i>2021</i>	<i>2020</i>	<i>2021</i>	<i>2020</i>
	<i>No.</i>	<i>No.</i>	<i>£'000</i>	<i>£'000</i>
Ordinary shares of £1 each	450,000	450,000	450	450
"B" ordinary shares of £1 each	4,500,000	4,500,000	4,500	4,500
	<u>4,950,000</u>	<u>4,950,000</u>	<u>4,950</u>	<u>4,950</u>

The "B" ordinary shares are non-voting but have the right to a dividend as decided by the directors. On a return of assets on a winding up, the ordinary shares would rank before the "B" ordinary shares.

13. RESERVES

The general reserve records the historic cost of provisions made from unappropriated profits for the specific purpose of providing for employees in the event that the Company closed.

The profit and loss account includes all current and prior period retained profits and losses.

14. DIVIDENDS

	<i>2021</i>	<i>2020</i>
	<i>£'000</i>	<i>£'000</i>
Dividend paid	2,000	2,000
	<u>2,000</u>	<u>2,000</u>

15. PENSION COSTS

The company participates in the Tennants Consolidated Limited Pension Fund, a combined defined benefit and defined contribution scheme, operated by the ultimate parent company. An actuarial valuation of the scheme took place as at 30 September 2016 and further details are shown in the financial statements of Tennants Consolidated Limited.

The cost of the company's contributions to the defined contribution section of the Group scheme (note 3) amounted to £252,000 (2020: £299,000). Additional company contributions (note 3) in respect of the shortfall in the defined benefit section of the Group scheme amounted to £65,000 (2020: £65,000). There were no outstanding contributions (2020: £nil) payable to the fund at the statement of financial position date.

16. CONTINGENT LIABILITIES

The bank holds a terminal indemnity to H M Revenue & Customs for £50,000.

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17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent and controlling company is Tennants Consolidated Limited, a company incorporated in the United Kingdom. The address of the registered office of the parent company is 12 Upper Belgrave Street, London, SW1X 8BA.

The largest and smallest group of undertakings for which group accounts are produced is that headed by Tennants Consolidated Limited.

18. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS102 section 33 Related Party Disclosures from disclosing transactions with other members of the group.