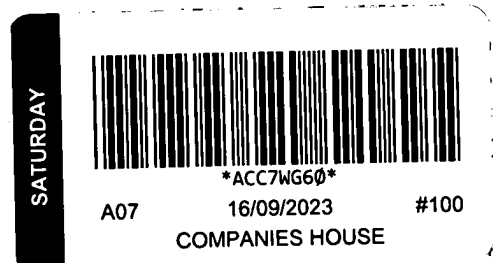


**COMPANY REGISTRATION NUMBER SC032785**

**DENHOLM PORT SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2022**



**DENHOLM PORT SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

CONTENTS	PAGE
Officers and professional advisers	1
Strategic report	2
Directors' report	3
Independent auditor's report to the members	5
Profit and loss account	8
Balance sheet	9
Statement of cash flows	10
Statement of changes in equity	11
Notes to the financial statements	12

**DENHOLM PORT SERVICES LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISORS**

**Directors**

J N W Denholm  
J Watt  
K Brathagen  
B D R MacLehose  
M A K Sande (Resigned 23 November 2022)  
P J Cross  
L Nyhus (Appointed 23 November 2022)

**Secretary**

C D G Daniels

**Registered office**

18 Woodside Crescent  
Glasgow  
G3 7UL

**Independent auditor**

BDO LLP  
Chartered Accountants and Statutory Auditor  
2 Atlantic Quay  
31 York Street  
Glasgow  
G2 8NJ

# DENHOLM PORT SERVICES LIMITED

## STRATEGIC REPORT

### YEAR ENDED 31 DECEMBER 2022

The directors in preparing this strategic report have complied with S414C of the Companies Act 2006.

#### **Business review**

The principal activity of the company continued to be the provision of ship agency and related port and marine services.

The company's key performance indicators are turnover and profit on ordinary activities before taxation. Turnover for the year amounted to £7,013,074 (2021 - £6,368,619) and profit on ordinary activities before taxation amounted to £963,900 (2021 - £824,203). The company's year end balance sheet reported net assets of £1,344,080 (2021 - £1,241,999).

Turnover and profit before taxation were ahead of 2021 as a result of increased activity following the relaxation of Covid-19 restrictions that had adversely impacted the United Kingdom cruise industry. The directors were pleased with the result in 2022.

The company's principal risks and uncertainties relate to economic factors such as the strength of the UK economy, world shipping markets and exchange rate fluctuations, together with the performance of customers and competitors.

#### **Financial risk management**

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 diverse credit risk, with exposure spread over a reasonable 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 obtains certain supplies and makes certain sales in euros and dollars. The company manages the risk of foreign exchange movements by entering into forward currency contracts at the point of sale.

#### **Future developments**

The effects of increased inflation and the indirect impact of the conflict in Ukraine will create difficult trading conditions for the business, however the directors are hopeful that 2023 will continue with the strong performance of 2022 and that another pleasing result will be reported.

By order of the Board on 12 June 2023.



J N W Denholm  
Director

# DENHOLM PORT SERVICES LIMITED

## DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2022

The directors submit their report and the financial statements of the company for the year ended 31 December 2022.

#### **Company number**

The company is registered in Scotland (company number SC032785).

#### **Principal activities**

The principal activity of the company continued to be the provision of ship agency and related port and marine services.

#### **Results and dividends**

The profit for the year after taxation was £752,081 (2021 - £657,272).

The directors declared and the company paid a dividend of £650,000 in June 2022 for the year ended 31 December 2021 (2021 - £100,000 for the year ended 2020).

#### **Financial risk management and future developments**

Please refer to the strategic report for information on the company's financial risk management and future developments.

#### **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 strategic report, 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. 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), including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland". 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 appropriate 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.

#### **Disclosure of information to auditor**

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 PORT SERVICES LIMITED**

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

**YEAR ENDED 31 DECEMBER 2022**

**Going concern**

The directors having considered the company's forecasts, cash resources, facilities, and projected costs (based on a range of possible outcomes), have concluded that there is no material uncertainty arising in relation to going concern and that the company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and to meet its obligations as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

By order of the Board on 12 June 2023.

A handwritten signature in black ink, appearing to read 'J N W Denholm', is written over a horizontal line.

J N W DENHOLM  
Director

## DENHOLM PORT SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM PORT SERVICES LIMITED

YEAR ENDED 31 DECEMBER 2022

#### Opinion on the 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 2022 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.

We have audited the financial statements of Denholm Port Services Limited ("the company") for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet, the statement of cash flows, the 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).

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

#### Independence

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.

#### Conclusions relating to going concern

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.

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.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

**DENHOLM PORT SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM**  
**PORT SERVICES LIMITED** *(continued)*  
**YEAR ENDED 31 DECEMBER 2022**

**Other Companies Act 2006 reporting**

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

- the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

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 directors' report.

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**

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.

**Extent to which the audit was 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. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The procedures that we designed and executed included:

- performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- reading minutes of meetings of those charged with governance; reviewing correspondence with legal advisors to identify indications of non-compliance with laws and regulations;

**DENHOLM PORT SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM**  
**PORT SERVICES LIMITED (continued)**  
**YEAR ENDED 31 DECEMBER 2022**

**Extent to which the audit was capable of detecting irregularities, including fraud (continued)**

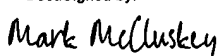
- determining whether the accounting policies and presentation adopted in the financial statements are in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice);
- identifying whether there are instances of potential bias in areas with significant degrees of judgement such as carrying value of assets subject to impairment reviews;
- addressing the risk of fraud through management override of controls by testing the appropriateness of journal entries and other adjustments and consider revenue recognition via cut off and review of manual entries;
- assessing whether the judgements made in accounting estimates are indicative of a potential bias;
- evaluating the business rationale of significant transactions that are unusual or outside the normal course of business;
- vouching balances and reconciling items in key control account reconciliations to supporting documentation as at 31 December 2022; and
- carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence to verify the completeness, existence and accuracy of the reported financial statements.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

**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.

DocuSigned by:  
  
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Mark McCluskey (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Glasgow  
United Kingdom

20 June 2023

.....  
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**DENHOLM PORT SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
TURNOVER	2	7,013,074	6,368,619
Cost of sales		<u>(925,917)</u>	<u>(887,801)</u>
GROSS PROFIT		6,087,157	5,480,818
Administrative expenses		(5,214,980)	(4,702,177)
Other operating income	3	<u>53,839</u>	<u>45,562</u>
OPERATING PROFIT	4	926,016	824,203
Interest receivable	7	<u>37,884</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		963,900	824,203
Tax on profit on ordinary activities	8	<u>(211,819)</u>	<u>(166,931)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>752,081</u></u>	<u><u>657,272</u></u>

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

**Statement of other comprehensive income**

There are no items of other comprehensive income other than the profit of £752,081 attributable to the shareholders for the year ended 31 December 2022 (2021 - £657,272). Accordingly, a statement of other comprehensive income is not presented.

The notes on pages 12 to 22 form part of these financial statements.

**DENHOLM PORT SERVICES LIMITED**

**BALANCE SHEET**

**31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	10	<b>40,956</b>	71,663
Tangible assets	11	<b>135,340</b>	200,050
		<u><b>176,296</b></u>	<u>271,713</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	12	<b>7,394,886</b>	6,015,324
Cash at bank and in hand		<b>6,482,086</b>	3,263,914
		<u><b>13,876,972</b></u>	<u>9,279,238</u>
CREDITORS: Amounts falling due within one year	14	<b>(12,709,188)</b>	(8,308,952)
<b>NET CURRENT ASSETS</b>		<u><b>1,167,784</b></u>	<u>970,286</u>
<b>NET ASSETS</b>		<u><u><b>1,344,080</b></u></u>	<u><u>1,241,999</u></u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	15	<b>100,000</b>	100,000
Profit and loss account	15	<b>1,244,080</b>	1,141,999
<b>SHAREHOLDERS' FUNDS</b>		<u><u><b>1,344,080</b></u></u>	<u><u>1,241,999</u></u>

These financial statements were approved by the Board on 12 June 2023.



J N W DENHOLM  
Director

The notes on pages 12 to 22 form part of these financial statements.

**DENHOLM PORT SERVICES LIMITED**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Operating profit for the financial year		<b>926,016</b>	824,203
Adjustments for:			
Amortisation of intangible assets	10	<b>30,707</b>	30,708
Depreciation of tangible fixed assets	11	<b>158,907</b>	68,692
(Increase)/decrease in trade and other debtors		<b>(1,397,460)</b>	575,331
Increase/(decrease) in trade and other creditors		<b>4,383,718</b>	(57,190)
Gain on disposal of tangible assets	3	-	(17,179)
Cash inflow from operations		<b>4,101,888</b>	1,424,565
Income taxes paid		<b>(177,403)</b>	(204,431)
<b>Net cash inflow from operating activities</b>		<b>3,924,485</b>	1,220,134
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible assets		-	19,220
Purchases of tangible fixed assets	11	<b>(94,197)</b>	(29,459)
Interest received	7	<b>37,884</b>	-
<b>Net cash outflow from investing activities</b>		<b>(56,313)</b>	(10,239)
<b>Cash flows from financing activities</b>			
Dividends paid	9	<b>(650,000)</b>	(100,000)
<b>Net cash outflow from financing activities</b>		<b>(650,000)</b>	(100,000)
<b>Net increase in cash and cash equivalents</b>		<b>3,218,172</b>	1,109,895
<b>Cash and cash equivalents at the beginning of the year</b>		<b>3,263,914</b>	2,154,019
<b>Cash and cash equivalents at the end of the year</b>		<b>6,482,086</b>	3,263,914

The notes on pages 12 to 22 form part of these financial statements.

**DENHOLM PORT SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2022**

	Note	Called up share capital £	Profit and loss account £	Total £
At 31 December 2020		100,000	584,727	684,727
Profit for the financial year		-	657,272	657,272
Dividends paid on equity shares	9	-	(100,000)	(100,000)
<b>At 31 December 2021</b>		<b>100,000</b>	<b>1,141,999</b>	<b>1,241,999</b>
Profit for the financial year		-	752,081	752,081
Dividends paid on equity shares	9	-	(650,000)	(650,000)
<b>At 31 December 2022</b>		<b>100,000</b>	<b>1,244,080</b>	<b>1,344,080</b>

The notes on pages 12 to 22 form part of these financial statements.

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

1. **ACCOUNTING POLICIES**

**Basis of accounting**

Denholm Port Services Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1 and its principal activities are set out in the directors' report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The company has taken advantage of the reduced disclosure exemptions as permitted by FRS 102 in preparing these financial statements as noted throughout these financial statements. This information is included in the consolidated financial statements of J. & J. Denholm Limited as at 31 December 2022 and these financial statements may be obtained from Companies House. The functional and presentational currency of Denholm Port Services Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

The directors having considered the company's forecasts, cash resources, facilities, and projected costs (based on a range of possible outcomes), have concluded that there is no material uncertainty arising in relation to going concern and that the company has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future and to meet its obligations as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the 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. Turnover represents the fair value of consideration received or receivable from the supply of ship agency and related port and marine services. In all cases, it is recognised in accordance with the contractual arrangements.

**Intangible assets**

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Goodwill - over 5 years

If there is any indication that there has been a significant change in the amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

**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:

Freehold Property - over 50 years

Leasehold Property - over the lesser period of the lease or 50 years

Plant & Machinery - over 4 years

Motor Vehicles - over 4 years

Freehold land is not depreciated.

**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**

Employees are entered into a defined contribution scheme and contributions to the scheme are charged to the profit and loss account as incurred.

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES (*continued*)

**Taxation**

Current tax is provided at amounts expected to be paid (or received) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be argued as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

**Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short term deposits with a maturity date of 12 months or less.

**Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved.

**Financial instruments**

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The directors have taken advantage of the exemption in Financial Reporting Standard 102, Section 1 from including a detailed financial instruments note on the grounds that the company is a qualifying entity and detailed information on the financial instruments are included in the consolidated financial statements of the ultimate parent.

**(i) Financial assets and liabilities**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs).

Debt instruments that are classified as payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES *(continued)*

**(ii) Fair value measurement**

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

**(ii) Derivative financial instruments**

The activities of the company expose it directly to the financial risks of changes in foreign currency exchange rates. The company uses forward foreign exchange contracts to hedge these exposures. The company does not use derivative financial instruments for speculative purposes.

Derivatives are initially recorded on the balance sheet and subsequently measured at fair value, which is calculated using standard industry valuation techniques in conjunction with observable market data. The changes in fair value are reported through the profit and loss account.

**Foreign currencies**

Transactions in currencies other than the functional currency are recognised at the rate of exchange at the date of the transaction, or at an average rate where this rate approximates the actual rate at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated at the rates prevailing at that date. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising from trading are included as an exchange gain or loss in the profit and loss account.

**Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

**Critical judgements and estimates in applying the company's accounting policies**

The following are the critical judgements and estimates, that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements;

(a) Debtor's provision

The company assesses the recoverability of its debtors and provides for specific debtors if the likelihood of recoverability is deemed to be in doubt or if the customer has defaulted.

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

1. ACCOUNTING POLICIES *(continued)*

**Critical judgements and estimates in applying the company's accounting policies *(continued)***

(b) Impairment of goodwill

The company carries out impairment reviews whenever events or changes in circumstance indicate that the carrying value of goodwill may not be recoverable. In addition, the company carries out an annual impairment review. An impairment loss is recognised when the recoverable amount of goodwill is less than the carrying amount. The impairment tests are carried out by assets and reflect the latest company projections.

The budgets are based on various assumptions relating to the company's outlook and prospects. These are discussed in the strategic report.

The value in use calculation requires an estimate to be made of the timing and of the amount of future cash flows to the asset and the application of a suitable discount rate in order to calculate the present value. A change in the assumptions selected by management and used in the cash flow projections could significantly affect the impairment calculation.

**Coronavirus Job Retention Scheme receipts**

Payments received under the UK government's Coronavirus Job Retention Scheme are a form of grant. This grant money is receivable as compensation for expenses already incurred. It is recognised in income in the period in which it becomes receivable and the related expense is incurred.

2. TURNOVER

Turnover, stated exclusive of Value Added Tax, is derived from one continuing activity and represents amounts earned for ship agency and related port and marine services in the United Kingdom.

	2022	2021
	£	£
Rendering of services	7,013,074	6,368,619

3. OTHER OPERATING INCOME

	2022	2021
	£	£
Foreign exchange gain/(loss)	50,843	(8,796)
Change in fair value of derivative financial instruments	2,996	(1,704)
Profit on disposal of fixed assets	-	17,179
Coronavirus Job Retention Scheme receipts	-	38,883
	<u>53,839</u>	<u>45,562</u>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Amortisation of intangible assets	30,707	30,708
Depreciation of tangible fixed assets	158,907	68,692
Auditor's remuneration - audit fees	18,450	17,558
Coronavirus job retention scheme receipts	-	(38,883)
Operating lease costs:		
Land and buildings	132,502	140,667
	<b>132,502</b>	<b>140,667</b>

5. PARTICULARS OF EMPLOYEES

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

	2022	2021
	Number	Number
Management	2	2
Operations	78	73
	<b>80</b>	<b>75</b>

The aggregate payroll costs of the above were:

	2022	2021
	£	£
Wages and salaries	3,028,149	2,703,290
Social security costs	331,616	288,024
Other pension costs (note 16)	156,229	148,516
	<b>3,515,994</b>	<b>3,139,830</b>

6. DIRECTORS' REMUNERATION

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

	2022	2021
	£	£
Remuneration receivable	113,434	104,138
Company pension contributions to money purchase schemes	8,752	8,126
	<b>122,186</b>	<b>112,264</b>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

6. DIRECTORS' REMUNERATION (*continued*)

Remuneration of highest paid director:

	2022	2021
	£	£
Total remuneration (excluding pension contributions)	113,434	104,138
Company pension contributions to money purchase schemes	8,752	8,126
	<b>122,186</b>	<b>112,264</b>
	<b>122,186</b>	<b>112,264</b>

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

	2022	2021
	Number	Number
Money purchase schemes	1	1
	<b>1</b>	<b>1</b>
	<b>1</b>	<b>1</b>

Certain of the company's directors are remunerated by other group companies during the year and in the prior year and it is not practical to make an apportionment of remuneration in respect of services provided to this company, as a result none of their remuneration is included in the emoluments reported above.

7. INTEREST RECEIVABLE

	2022	2021
	£	£
Bank interest receivable	37,884	-
	<b>37,884</b>	<b>-</b>
	<b>37,884</b>	<b>-</b>

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	2022	2021
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	193,921	169,595
Under provision in prior year	881	55
	<b>194,802</b>	<b>169,650</b>
Total current tax	<b>194,802</b>	<b>169,650</b>
Deferred tax:		
Origination and reversal of timing differences	17,017	(2,719)
	<b>17,017</b>	<b>(2,719)</b>
Tax on profit on ordinary activities	<b>211,819</b>	<b>166,931</b>
	<b>211,819</b>	<b>166,931</b>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

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

(b) Factors affecting current tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher (2021 - higher) than the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are reconciled below:

	<b>2022</b>	2021
Profit on ordinary activities before tax	<b>963,900</b>	824,203
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>183,141</b>	156,599
Expenses not deductible for tax purposes	<b>2,380</b>	10,303
Depreciation on assets not qualifying for capital allowances	<b>20,437</b>	1,767
Differences in deferred tax rate	<b>4,119</b>	(6,662)
Adjustment in respect of prior periods	<b>733</b>	253
Goodwill not deductible for tax purposes	<b>5,835</b>	5,835
Sundry tax adjusting items	<b>(4,826)</b>	(1,164)
Total tax charge	<b>211,819</b>	166,931

9. DIVIDENDS

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Dividends paid £6.50 per share (2021 - £1.00)	<b>650,000</b>	100,000

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

10. INTANGIBLE FIXED ASSETS

	<b>Goodwill</b> £
Cost	
At 1 January 2022 and at 31 December 2022	<b>2,453,925</b>
Amortisation	
At 1 January 2022	2,382,262
Charge for the year	30,707
At 31 December 2022	<b>2,412,969</b>
Net Book Value	
At 31 December 2022	<b>40,956</b>
At 31 December 2021	71,663

11. TANGIBLE FIXED ASSETS

	<b>Freehold Property</b> £	<b>Leasehold Property</b> £	<b>Plant &amp; Machinery</b> £	<b>Motor Vehicles</b> £	<b>Total</b> £
Cost					
1 January 2022	231,369	129,603	534,647	31,844	927,463
Additions	-	12,177	82,020	-	94,197
Disposals	-	(104,355)	(68,493)	-	(172,848)
Reclassification	(231,369)	231,369	-	-	-
At 31 December 2022	<b>-</b>	<b>268,794</b>	<b>548,174</b>	<b>31,844</b>	<b>848,812</b>
Depreciation					
At 1 January 2022	129,473	110,163	455,933	31,844	727,413
Charge for the year	-	106,628	52,279	-	158,907
On disposals	-	(104,355)	(68,493)	-	(172,848)
Reclassification	(129,473)	129,473	-	-	-
At 31 December 2022	<b>-</b>	<b>241,909</b>	<b>439,719</b>	<b>31,844</b>	<b>713,472</b>
Net Book Value					
At 31 December 2022	<b>-</b>	<b>26,885</b>	<b>108,455</b>	<b>-</b>	<b>135,340</b>
At 31 December 2021	101,896	19,440	78,714	-	200,050

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

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

12. DEBTORS: Amounts falling due within one year

	2022	2021
	£	£
Trade debtors	4,520,874	3,844,490
Amounts owed by group undertakings	566,119	400,145
Group relief receivable	-	881
Other debtors	253,316	284,359
Prepayments and accrued income	2,039,135	1,455,986
Deferred taxation (note 13)	10,742	27,759
Fair value of derivative instruments	4,700	1,704
	<b>7,394,886</b>	<b>6,015,324</b>
	<b>7,394,886</b>	<b>6,015,324</b>

The financial assets above are recorded at the transaction price. The debt instruments receivable above are recorded at the undiscounted amount receivable. The derivative financial instruments above are recorded at fair value.

13. DEFERRED TAXATION

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

	2022	2021
	£	£
Included in debtors (note 12)	10,742	27,759
	<b>10,742</b>	<b>27,759</b>
	<b>10,742</b>	<b>27,759</b>

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

	2022	2021
	£	£
Balance brought forward	27,759	25,040
Profit and loss account movement arising during the year (note 8)	(17,017)	2,719
	<b>10,742</b>	<b>27,759</b>
Balance carried forward	<b>10,742</b>	<b>27,759</b>

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

	2022	2021
	£	£
Accounting depreciation in excess of capital allowances	10,742	27,759
	<b>10,742</b>	<b>27,759</b>
	<b>10,742</b>	<b>27,759</b>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

14. CREDITORS: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors	8,552,700	5,055,007
Amounts owed to group undertakings	87,693	100,806
Corporation tax	16,518	-
Other creditors	1,063,293	892,150
Accruals and deferred income	2,988,984	2,260,989
	<b>12,709,188</b>	<b>8,308,952</b>

The financial liabilities above are recorded at transaction price.

15. SHARE CAPITAL

Allotted, called up and fully paid:

	2022		2021	
	Number	£	Number	£
100,000 Ordinary shares of £1 each	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

The profit and loss account of £1,244,080 (2021 - £1,141,999) represents cumulative profits or losses, net of dividends paid and other adjustments.

16. PENSIONS

The company contributes to a defined contribution scheme for which the pension charge for the year amounted to £156,229 (2021 - £148,516).

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 total future minimum lease payments under non-cancellable operating leases were as follows:

	Land and buildings	
	2022	2021
	£	£
Operating lease payments due:		
Within 1 year	141,505	137,020
Within 2 to 5 years	223,954	230,149
	<b>365,459</b>	<b>367,169</b>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

18. RELATED PARTY TRANSACTIONS

Related Party	Purchases from related party £	Sales to related party £	Trading balances owed to related party £	Trading balances owed from related party £
<b>2022</b>				
Denholm Global Logistics Limited *	241,895	55,062	2,610	5,191
Lacy & Middlemiss Shipbrokers Limited *	44,339	115,132	2,432	7,520
Denholm UK Logistics Limited *	187,416	-	11,294	-
Hamilton Shipping (Port Services) Limited *	-	-	34,047	552,408
Denholm Logistics Group Limited*	-	-	31,425	-
J&J Denholm Limited	-	-	5,705	-
Denholm Industrial Limited*	-	-	-	1,000
William Reid Limited*	60	-	60	-
John Good Logistics Limited*	-	-	120	-
	<u>473,710</u>	<u>170,194</u>	<u>87,693</u>	<u>566,119</u>

Related Party	Purchases from related party £	Sales to related party £	Trading balances owed to related party £	Trading balances owed from related party £
<b>2021</b>				
Denholm Global Logistics Limited *	93,474	61,210	5,605	4,673
Lacy & Middlemiss Shipbrokers Limited *	30,353	118,668	2,400	7,975
Denholm UK Logistics Limited *	276,588	-	31,447	-
Hamilton Shipping (Port Services) Limited *	-	-	4,555	387,182
Denholm Logistics Group Limited*	-	-	7,656	315
J&J Denholm Limited	-	-	39,174	-
Denholm Industrial Limited*	-	-	9,969	-
Denholm Environmental Limited**	-	-	41,504	-
	<u>400,415</u>	<u>179,878</u>	<u>142,310</u>	<u>400,145</u>

Companies marked \* are fellow subsidiaries of J. & J. Denholm Limited, the ultimate parent undertaking.

Companies marked \*\* are under the common control of J.&J. Denholm Limited, the ultimate parent undertaking.

In addition advantage has been taken of the exemption under section 1.12 of FRS 102, from disclosing total remuneration of key management personnel, as the company is classed as a qualifying entity.

19. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Denholm Logistics Group Limited a company incorporated in England and Wales. 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 accounts of the company, may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.