

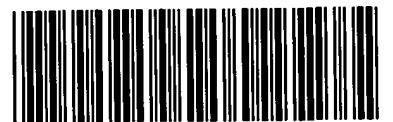
**COMPANY REGISTRATION NUMBER SC032785**

**DENHOLM PORT SERVICES LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2023**

**SATURDAY**



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**COMPANIES HOUSE**

**DENHOLM PORT SERVICES LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

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

**Directors**

J N W Denholm (Resigned 3 May 2024)  
J Watt  
K Brathagen  
B D R MacLehose  
A O Platt (Appointed 24 May 2024)  
P J Cross  
L Nyhus

**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 2023

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 £7,774,339 (2022 (restated) - £7,001,674) and profit on ordinary activities before taxation amounted to £1,235,242 (2022 (restated) - £943,500). The company's year end balance sheet reported net assets of £1,411,728 (2022 (restated) - £1,230,827).

Turnover and profit before taxation were ahead of 2022 due to an increase in the number of ship calls that were managed. The directors were pleased with the result in 2023.

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.

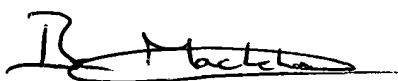
The company's principal financial liabilities are trade creditors.

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 a weakened economy in the United Kingdom and uncertainties caused by global events will create difficult trading conditions for the business, however the directors are confident that these situations will be manageable and are hopeful that 2024 will continue to build on the strong performance of 2023.

By order of the Board on 24 October 2024



B D R MacLehose  
Director

# DENHOLM PORT SERVICES LIMITED

## DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2023

The directors submit their report and the financial statements of the company for the year ended 31 December 2023.

#### **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 £930,901 (2022 (restated) - £735,428).

The directors declared and the company paid a dividend of £750,000 in June 2023 for the year ended 31 December 2022 (2022 - £650,000 for the year ended 2021).

#### **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**

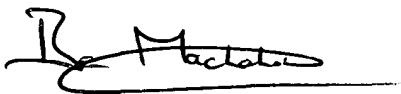
**DIRECTORS' REPORT *(continued)***

**YEAR ENDED 31 DECEMBER 2023**

**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 24 October 2024

A handwritten signature in black ink, appearing to read 'B D R MacLehose', written over a horizontal line.

B D R MacLehose  
Director

## DENHOLM PORT SERVICES LIMITED

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

YEAR ENDED 31 DECEMBER 2023

#### **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 2023 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 2023 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 2023**

**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:

**DENHOLM PORT SERVICES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM**  
**PORT SERVICES LIMITED (continued)**  
**YEAR ENDED 31 DECEMBER 2023**

*Non-compliance with laws and regulations*

Based on:

- Our understanding of the Company and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Company's policies and procedures regarding compliance with laws and regulations;

we considered the significant laws and regulations to be the applicable accounting framework and UK tax legislation.

The Company is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, anti-bribery legislation and anti-slavery legislation.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;
- Discussions with in-house regulatory and legal teams in order to identify any non-compliance.

*Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiring of management and those charged with governance concerning any known or suspected instances of fraud, actual and potential litigation, and claims and seeking corroborating and contradictory evidence to support their claims;
- Obtaining an understanding of the Company's policies and procedures relating to:
- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Considering remuneration incentive schemes and performance targets and the related financial statement areas impacted by these."

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls and revenue cut-off.

Our procedures in respect of the above included:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the recognition of revenue and provisions;
- We sought to identify any areas of management bias by corroborating significant estimates and judgements and challenging management as to their appropriateness based on third party empirical evidence, recalculating management's estimate, following up on information in relation to estimates to the date of approval as well as in some cases developing our own estimate range and comparing this to management's estimate;

## DENHOLM PORT SERVICES LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM

#### PORT SERVICES LIMITED *(continued)*

#### YEAR ENDED 31 DECEMBER 2023

- Focussing on revenue year end cut-off procedures and the inclusion of revenue in the correct accounting periods;
- Testing the appropriateness of journal entries based on a set of pre-determined risk criteria, such as journals by user, journals to significant risk areas such as revenue cut-off and material journals, as well as other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any transactions that would otherwise be considered outside normal operations or outside the normal course of business.
- 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;
- 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 2023;
- 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: and
- As set out on page 17, in December 2023, the ultimate parent company's Audit Function uncovered invoicing practices within the company which have resulted in incorrect revenue recognition over a number of years. A detailed transactional review, led by Internal Audit and utilising external advisors, was undertaken to quantify the impact of the invoicing practices over the financial period 2017 to 2023. As noted in the accounting policies, this has resulted in a prior period adjustment. Having been made aware of the problematic invoicing practices, we engaged internal forensic experts to support the audit team in evaluating the scope and findings of the investigation instigated by management. This included:
  - Assessing the competence, capabilities and objectivity of the external investigators and other experts used by management;
  - Reviewing the investigator's and other expert's engagement letters and scope;
  - Challenging the evidence identified to determine whether procedures undertaken were sufficient;
  - Reading the external investigator's and expert's final reports and assessing their findings;
  - Considering the impact on other areas of the audit pertaining to management override of control and revenue recognition in the port agency businesses;
  - Evaluating the investigation findings and the appropriateness of the disclosures included in the financial statements;
  - Testing the methodology, assumptions and underlying information supporting the provision through statistical sampling and in reference to the IT system used;

**DENHOLM PORT SERVICES LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM**

**PORT SERVICES LIMITED (continued)**

**YEAR ENDED 31 DECEMBER 2023**


- Using our experience and knowledge to identify transaction characteristics that indicated an increased risk of being inappropriate. We then used data analytics to identify transactions that contained those characteristics and performed tests to confirm that transactions were valid and had a genuine business rationale;

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  
24 October 2024

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

**DENHOLM PORT SERVICES LIMITED**

**PROFIT AND LOSS ACCOUNT**

**31 DECEMBER 2023**

	Note	2023 £	2022 £ (restated)
TURNOVER	2	7,774,339	7,001,674
Cost of sales		<u>(1,213,904)</u>	<u>(925,917)</u>
GROSS PROFIT		6,560,435	6,075,757
Administrative expenses		(5,651,974)	(5,214,980)
Other operating income	3	<u>12,978</u>	<u>53,839</u>
OPERATING PROFIT	4	921,439	914,616
Interest receivable	7	328,805	37,884
Interest payable	8	<u>(15,002)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,235,242	943,500
Tax on profit on ordinary activities	9	<u>(304,341)</u>	<u>(208,072)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>930,901</u></u>	<u><u>735,428</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 £930,901 attributable to the shareholders for the year ended 31 December 2023 (2022 (restated) - £735,428). Accordingly, a statement of other comprehensive income is not presented.

The notes on pages 14 to 25 form part of these financial statements.

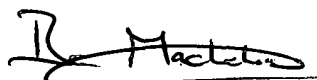
**DENHOLM PORT SERVICES LIMITED**

**BALANCE SHEET**

**31 DECEMBER 2023**

	Note	2023 £	2022 £ (restated)
<b>FIXED ASSETS</b>			
Intangible assets	11	10,249	40,956
Tangible assets	12	165,089	135,340
		<u>175,338</u>	<u>176,296</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	13	12,649,210	7,394,886
Cash at bank and in hand		6,862,914	6,482,086
		<u>19,512,124</u>	<u>13,876,972</u>
CREDITORS: Amounts falling due within one year	15	<u>(18,132,334)</u>	<u>(12,705,441)</u>
NET CURRENT ASSETS		1,379,790	1,171,531
PROVISIONS FOR LIABILITIES	16	(143,400)	(117,000)
NET ASSETS		<u>1,411,728</u>	<u>1,230,827</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	17	100,000	100,000
Profit and loss account	17	1,311,728	1,130,827
SHAREHOLDERS' FUNDS		<u>1,411,728</u>	<u>1,230,827</u>

These financial statements were approved by the Board on 24 October 2024



B D R MacLehose  
Director

The notes on pages 14 to 25 form part of these financial statements.

**DENHOLM PORT SERVICES LIMITED**

**STATEMENT OF CASH FLOWS**

**YEAR ENDED 31 DECEMBER 2023**

	Note	2023 £	2022 £ (restated)
<b>Cash flows from operating activities</b>			
Operating profit for the financial year		921,439	914,616
Adjustments for:			
Amortisation of intangible assets	11	30,707	30,707
Depreciation of tangible fixed assets	12	61,711	158,907
Increase in trade and other debtors		(5,232,683)	(1,397,460)
Increase in trade and other creditors		5,439,664	4,383,718
Increase in provisions	16	26,400	20,400
Gain on disposal of tangible assets	3	(14,000)	-
		1,233,238	4,110,888
Cash inflow from operations		1,233,238	4,110,888
Income taxes paid		(338,753)	(177,403)
		894,485	3,933,485
<b>Net cash inflow from operating activities</b>			
<b>Cash flows from investing activities</b>			
Proceeds from sale of tangible assets		14,000	-
Purchases of tangible fixed assets	12	(91,460)	(94,197)
Interest received	7	328,805	37,884
Interest paid	8	(15,002)	(9,000)
		236,343	(65,313)
<b>Net cash inflow/(outflow) from investing activities</b>			
<b>Cash flows from financing activities</b>			
Dividends paid	9	(750,000)	(650,000)
		(750,000)	(650,000)
<b>Net cash outflow from financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		<b>380,828</b>	<b>3,218,172</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>6,482,086</b>	<b>3,263,914</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>6,862,914</b>	<b>6,482,086</b>

The notes on pages 14 to 25 form part of these financial statements.

**DENHOLM PORT SERVICES LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**YEAR ENDED 31 DECEMBER 2023**

	Note	Called up share capital £	Profit and loss account £	Total £
At 31 December 2021 (as previously stated)		100,000	1,141,999	1,241,999
Prior year adjustment		-	(96,600)	(96,600)
Profit for the financial year		-	735,428	735,428
Dividends paid on equity shares	9	-	(650,000)	(650,000)
<b>At 31 December 2022 (restated)</b>		<b>100,000</b>	<b>1,130,827</b>	<b>1,230,827</b>
Profit for the financial year		-	930,901	930,901
Dividends paid on equity shares	9	-	(750,000)	(750,000)
<b>At 31 December 2023</b>		<b>100,000</b>	<b>1,311,728</b>	<b>1,411,728</b>

The notes on pages 14 to 25 form part of these financial statements.

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

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 2023 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:

Leasehold Property	- over the lesser period of the lease or 50 years
Plant & Machinery	- over 4 years
Motor Vehicles	- over 4 years

**Leases**

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

**Pension costs**

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 2023**

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 2023**

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**  
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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.

**Prior year adjustment**

In December 2023, the Group's internal control procedures uncovered invoicing practices within the company which have resulted in incorrect revenue recognition over a number of years. A detailed transactional review, led by Internal Audit, was undertaken to quantify the impact of the invoicing practices over the financial period 2017 to 2023. The treatment for these identified items has been classified as a prior period error and is governed by FRS 102 paragraphs 10.19 – 10.20. The current year impacts, including the related tax effect, have been adjusted in the 2023 financial period. The prior year impacts have been adjusted to revenue, payable, provisions and reserves within the 2022 financial year.

For the 2022 financial period, the following adjustments were made to reflect the recognition of incorrect revenue recognition. Turnover was decreased by £11,400, interest payable increased by £9,000 which reflects the effect of the time value of money relating to the provision for invoicing practices, and the corporation tax charge was reduced by £3,747. The previously recorded profit after tax of £752,081 has been adjusted to £735,428 following the above adjustments. An increase to customer provisions of £20,400, and a decrease to corporation tax payable of £3,747 were recognised. The profit and loss account reserves brought forward at 1 January 2022 have been restated from £1,141,999 to £1,045,399. The value of customer provisions has increased from £Nil to £96,600.

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.

	2023	2022
	£	£
Rendering of services	7,774,339	(restated) 7,001,674
	<u>7,774,339</u>	<u>7,001,674</u>

3. OTHER OPERATING INCOME

	2023	2022
	£	£
Foreign exchange gain	7,905	50,843
Change in fair value of derivative financial instruments	(8,927)	2,996
Profit on disposal of fixed assets	14,000	-
	<u>12,978</u>	<u>53,839</u>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

4. OPERATING PROFIT

Operating profit is stated after charging:

	2023	2022
	£	£
Amortisation of intangible assets	30,707	30,707
Depreciation of tangible fixed assets	61,711	158,907
Auditor's remuneration - audit fees	18,212	18,450
Operating lease costs:		
Land and buildings	143,027	132,502
	<u>143,027</u>	<u>132,502</u>

5. PARTICULARS OF EMPLOYEES

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

	2023	2022
	Number	Number
Management	2	2
Operations	80	78
	<u>82</u>	<u>80</u>

The aggregate payroll costs of the above were:

	2023	2022
	£	£
Wages and salaries	3,355,829	3,028,149
Social security costs	350,306	331,616
Other pension costs (note 18)	170,815	156,229
	<u>3,876,950</u>	<u>3,515,994</u>

6. DIRECTORS' REMUNERATION

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

	2023	2022
	£	£
Remuneration receivable	122,028	113,434
Company pension contributions to money purchase schemes	9,403	8,752
	<u>131,431</u>	<u>122,186</u>

Remuneration of highest paid director:

	2023	2022
	£	£
Total remuneration (excluding pension contributions)	122,028	113,434
Company pension contributions to money purchase schemes	9,403	8,752
	<u>131,431</u>	<u>122,186</u>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

6. DIRECTORS' REMUNERATION (continued)

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

	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>
Money purchase schemes	<u>1</u>	<u>1</u>

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

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank interest receivable	<u>328,805</u>	<u>37,884</u>

8. INTEREST PAYABLE

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank interest payable	<b>2</b>	(restated) -
Other interest payable on provision for invoicing practises (note 1 and 16)	<u>15,000</u>	<u>9,000</u>
	<u>15,002</u>	<u>9,000</u>

9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Current tax:		(restated)
In respect of the year:		
UK Corporation tax based on the results for the year	<b>298,984</b>	190,174
Under provision in prior year	<b>151</b>	881
Total current tax	<u>299,135</u>	<u>191,055</u>
Deferred tax:		
Origination and reversal of timing differences	<b>5,206</b>	17,017
Tax on profit on ordinary activities	<u>304,341</u>	<u>208,072</u>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

9. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(b) Factors affecting current tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher (2022 - higher) than the standard rate of corporation tax in the UK of 23.52% (2022 - 19%). The differences are reconciled below:

	<b>2023</b>	2022 (restated)
Profit on ordinary activities before tax	<b><u>1,235,242</u></b>	<u>943,500</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.52% (2022 - 19%)	<b>296,745</b>	183,141
Expenses not deductible for tax purposes	<b>5,719</b>	2,380
Depreciation on assets not qualifying for capital allowances	<b>862</b>	20,437
Differences in deferred tax rate	<b>303</b>	4,119
Adjustment in respect of prior periods	<b>234</b>	733
Goodwill not deductible for tax purposes	<b>7,223</b>	5,835
Capital gain on disposal of non qualifying assets	<b>(588)</b>	-
Sundry tax adjusting items	<b>(77)</b>	(4,826)
Total tax charge	<b><u>304,341</u></b>	<u>208,072</u>

10. DIVIDENDS

	<b>2023</b>	2022
	£	£
Dividends paid £7.50 per share (2022 - £6.50)	<b><u>750,000</u></b>	<u>650,000</u>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

11. INTANGIBLE FIXED ASSETS

	<b>Goodwill</b> <b>£</b>
Cost	
At 1 January 2023 and at 31 December 2023	<b>2,453,925</b>
Amortisation	
At 1 January 2023	2,412,969
Charge for the year	30,707
At 31 December 2023	<b>2,443,676</b>
Net Book Value	
At 31 December 2023	<b>10,249</b>
At 31 December 2022	40,956

12. TANGIBLE FIXED ASSETS

	<b>Leasehold Property</b> <b>£</b>	<b>Plant &amp; Machinery</b> <b>£</b>	<b>Motor Vehicles</b> <b>£</b>	<b>Total</b> <b>£</b>
Cost				
1 January 2023	268,794	548,174	31,844	848,812
Additions	6,075	38,318	47,067	91,460
Disposals	(231,369)	(24,057)	(31,844)	(287,270)
At 31 December 2023	<b>43,500</b>	<b>562,435</b>	<b>47,067</b>	<b>653,002</b>
Depreciation				
At 1 January 2023	241,909	439,719	31,844	713,472
Charge for the year	6,246	47,410	8,055	61,711
On disposals	(231,369)	(24,057)	(31,844)	(287,270)
At 31 December 2023	<b>16,786</b>	<b>463,072</b>	<b>8,055</b>	<b>487,913</b>
Net Book Value				
At 31 December 2023	<b>26,714</b>	<b>99,363</b>	<b>39,012</b>	<b>165,089</b>
At 31 December 2022	26,885	108,455	-	135,340

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 2023**

13. DEBTORS: Amounts falling due within one year

	<b>2023</b>	<b>2022</b>
	£	£
Trade debtors	7,064,007	4,520,874
Amounts owed by group undertakings	2,189,988	566,119
Group relief receivable	26,847	-
Other debtors	1,783,975	253,316
Prepayments and accrued income	1,578,857	2,039,135
Deferred taxation (note 14)	5,536	10,742
Fair value of derivative instruments	-	4,700
	<b>12,649,210</b>	<b>7,394,886</b>
	<b>12,649,210</b>	<b>7,394,886</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.

14. DEFERRED TAXATION

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

	<b>2023</b>	<b>2022</b>
	£	£
Included in debtors (note 13)	5,536	10,742
	<b>5,536</b>	<b>10,742</b>
	<b>5,536</b>	<b>10,742</b>

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

	<b>2023</b>	<b>2022</b>
	£	£
Balance brought forward	10,742	27,759
Profit and loss account movement arising during the year (note 9)	(5,206)	(17,017)
	<b>5,536</b>	<b>10,742</b>
Balance carried forward	<b>5,536</b>	<b>10,742</b>

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

	<b>2023</b>	<b>2022</b>
	£	£
Accounting depreciation in excess of capital allowances	5,536	10,742
	<b>5,536</b>	<b>10,742</b>
	<b>5,536</b>	<b>10,742</b>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

15. CREDITORS: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	11,878,701	8,552,700
Amounts owed to group undertakings	150,186	87,693
Corporation tax	-	12,771
Other creditors	783,186	1,063,293
Accruals and deferred income	5,316,034	2,988,984
Fair value of derivative instrument	4,227	-
	<b>18,132,334</b>	<b>12,705,441</b>
	<b>18,132,334</b>	<b>12,705,441</b>

The financial liabilities above are recorded at transaction price.

16. PROVISIONS

	2023	2022
	£	£
Provision for invoicing practices	143,400	117,000
	<b>143,400</b>	<b>117,000</b>
	<b>143,400</b>	<b>117,000</b>

In December 2023, the Group's internal control procedures uncovered invoicing practices which have resulted in incorrect revenue recognition over a number of years (Note 1). The provision of £143,400 (2022 (restated): £117,000) represents management's best estimate of the potential liability arising from the correction of the revenue generated from these practices.

17. SHARE CAPITAL

Allotted, called up and fully paid:

	2023		2022	
	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>
	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>
	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>	<b>100,000</b>

The profit and loss account of £1,311,728 (2022 (restated) - £1,130,827) represents cumulative profits or losses, net of dividends paid and other adjustments.

18. PENSIONS

The company contributes to a defined contribution scheme for which the pension charge for the year amounted to £170,815 (2022 - £156,229).

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2023**

19. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2023 total future minimum lease payments under non-cancellable operating leases were as follows:

	<b>Land and buildings</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Operating lease payments due:		
Within 1 year	<b>147,485</b>	141,505
Within 2 to 5 years	<b>169,477</b>	223,954
	<u><b>316,962</b></u>	<u>365,459</u>

20. RELATED PARTY TRANSACTIONS

**Related Party**

	<b>Purchases from related party</b>	<b>Sales to related party</b>	<b>Trading balances owed to related party</b>	<b>Trading balances owed from related party</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>2023</b>				
Denholm Global Logistics Limited *	119,181	142,328	13,283	25,856
Lacy & Middlemiss Shipbrokers Limited *	9,210	98,471	5,760	29,966
Denholm UK Logistics Limited *	144,431	16,160	13,077	-
Hamilton Shipping (Port Services) Limited *	-	-	117,954	2,127,271
Denholm Logistics Group Limited*	-	-	-	2,461
J&J Denholm Limited	-	-	-	4,434
John Good Logistics Limited*	-	3,517	112	-
Denholm Seafoods Limited*	-	205	-	-
	<u>272,822</u>	<u>260,681</u>	<u>150,186</u>	<u>2,189,988</u>

**DENHOLM PORT SERVICES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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20. RELATED PARTY TRANSACTIONS (continued)

	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>

Companies marked \* are fellow subsidiaries 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.

21. 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.