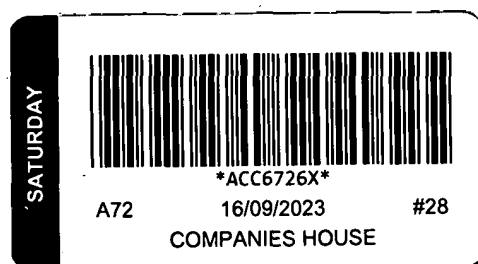


**COMPANY REGISTRATION NUMBER 02922837**

**DENHOLM GLOBAL LOGISTICS LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2022**



**DENHOLM GLOBAL LOGISTICS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2022**

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**DENHOLM GLOBAL LOGISTICS LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISORS**

**Directors**

J N W Denholm  
K J Hall  
S B Hughes  
D Parkinson  
D P Eustace (Resigned 23 February 2023)  
R C Geary  
M S Cox  
P M Davies

**Secretary**

C D G Daniels

**Registered office**

2nd Floor  
5 St. Paul's Square  
Old Hall Street  
Liverpool  
L3 9SJ

**Independent auditor**

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

# DENHOLM GLOBAL LOGISTICS 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 is freight forwarding and freight management services.

The company's key performance indicators are gross profit and operating profit. Gross profit for the year amounted to £15,492,176 (2021 - £20,906,433) and operating profit amounted to £7,649,804 (2021 - £12,064,706). The company's year end balance sheet reported net assets of £7,238,409 (2021 - £6,669,919).

Gross profit and operating profit has decreased in 2022, due to changing market conditions compared to the prior year, however still represents a very pleasing return.

The company's principal risks and uncertainties relate to economic factors such as the strength of the UK and worldwide economy, together with the performance of customers and competitors.

### Financial risk management

The company's principal financial assets are bank balances, trade debtors and group loans, in respect of which interest is applied at a fixed rate. 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 and its group loan, in respect of which interest is applied at a fixed rate.

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 market continues to be uncertain and competition fierce. 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 confident that these situations will be manageable. However, with an experienced management team in place, along with new business gains, the directors anticipate that 2023 should be another strong year.

### Section 172 (1) Statement

Section 172(1) of the Companies Act 2006 requires directors to act in a way that they consider, in good faith, will be most likely to promote the success of the company for the benefit of its members as a whole and in doing so (amongst other matters) to have regard to:

- (a) the likely consequences of any decision in the long term,
- (b) the interests of the company's employees,
- (c) the need to foster the company's business relationships with suppliers, customers and others,
- (d) the impact of the company's operations on the community and the environment,
- (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- (f) the need to act fairly as between members of the company.

The company sets out below how it has conducted its business, evaluated and made decisions to ensure compliance with Section 172(1) of the Companies Act.

## DENHOLM GLOBAL LOGISTICS LIMITED

### STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

#### The Denholm Standard

The company prides itself on its reputation for strong business ethics. At the heart of this is the Denholm Standard which in summary comprises:

**Integrity:** We are committed to being honest, avoiding conflicts of interest, respecting confidential information and will not tolerate bribery.

**Fairness:** We are committed to being fair and open in all our dealings with our stakeholders.

**Respect:** We are committed to respecting the people we work with, the communities we work within and the environment in which we operate.

**Upholding the law:** We are committed to operating within the relevant international, national and regional laws and regulations.

The company seeks to comply with the law and the regulations which govern its operations and has put in place policies and procedures which are designed to ensure that it is compliant. It communicates with government bodies and regulators on a regular basis.

#### Stakeholder Engagement

The directors believe that engaging with the company's stakeholders is important to the success of the business and have identified the main stakeholders as the shareholders, employees, customers, suppliers and the communities within which the company carries out its activities.

When reviewing matters of strategic importance to the company, the directors consider how the relevant issues impact its main stakeholders. Underpinning these stakeholder relationships is a culture which promotes high standards of business ethics, which focuses on a long-term sustainable strategy, and which recognises our responsibility to the environment.

There are many engagement mechanisms with these stakeholders. Further information on how we engage with our key stakeholders is detailed below:

Stakeholder	Engagement
Shareholders	The company's sole shareholder is the divisional holding company. The company's managing director meets regularly with directors of the shareholder's board and also sits on the board of the shareholder. The shareholder's board meets regularly and the company's managing director will provide a management report to the shareholder's board at that meeting. The company's managing director is responsible for providing the shareholder's feedback and updates to the company's board and management teams to ensure that the shareholder's interests are addressed by the company.
Employees	As a business to business services provider, the company considers its employees to be its most valuable asset. The company takes a positive view of employee communications and has maintained its established system of keeping employees informed of performance, development and progress by way of briefings by management. These briefings are tailored to take into account the audience plus the nature, extent and importance of the information being made available to employees. For example, communications can take the form of one to one meetings or telephone calls with employees; collective meetings of wider teams with their line manager, or email notices to distribute briefings across the company's workforce.

# DENHOLM GLOBAL LOGISTICS LIMITED

## STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

	<p>The company has implemented an annual Performance Development and Review programme for employees. Each employee meets on an annual basis with their line manager to discuss their development over the previous 12 months and to set goals for their future development, training and job targets. In between these formal meetings, informal feedback discussions are encouraged at all levels.</p> <p>The company is focused on maintaining strong health and safety procedures to keep our people safe.</p> <p>The company has put in place a management structure to ensure that the management are closely in touch with the employees who work for them. The philosophy of the directors of the company is to manage the business by being out and about and regularly visiting operating sites, thereby bringing them into contact with employees.</p>
<b>Customers</b>	<p>Customers are critical to the company's success. Strong relationships are maintained through regular dialogue to better understand their current and future requirements and to ensure that the company continues to provide a market leading, first-class service while working to the same core values, safety and quality standards.</p> <p>Ongoing dialogue with customers allows the company to continually improve its performance and operational delivery.</p> <p>Engagement with key and prospective customers enables the company to better understand the needs and requirements of our customer base and in turn develop our long-term strategy.</p>
<b>Communities</b>	<p>It is our responsibility as a long-term investor in the communities in which we operate, to take a strategic approach to community engagement and support.</p> <p>Where possible we recruit from and develop the local workforce.</p> <p>We continue to support local charities and nationally we continue to partner with the Prince's Trust, a charity which provides employment and training opportunities to young people across the UK.</p>
<b>Suppliers</b>	<p>A strong supply chain is critical to the company's success and the company is committed to fair and ethical treatment, and payment to contracted terms.</p>

Throughout the year the board has considered the wider stakeholder group and Section 172 (1) requirements during board discussions, when making decisions and setting the company's strategic direction, all of which is reflected in the papers presented and the meeting minutes.

# DENHOLM GLOBAL LOGISTICS LIMITED

## STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2022

### Environmental, Social and Governance (ESG)

The ultimate parent company, J.&J. Denholm Limited has an ESG strategy and a copy of the ESG report is available via the website ([www.denhholm-group.co.uk](http://www.denhholm-group.co.uk)), so that all stakeholders can monitor the company's progress in these areas.

The key underlying principles have been communicated to the company's managing directors, and the company's key staff are now actively engaged in developing plans to meet the company's ESG objectives.

The directors are committed to ensuring that the company remains a good corporate citizen, and in balancing the needs of its stakeholders, understands that each decision that is made in respect of ESG will have an impact on shareholders, employees, customers, communities and suppliers. However, it is the belief of the directors that only in addressing ESG responsibilities proactively, reducing pollution, boosting social impact and complying fully with governance obligations that the company will be able to deliver growth and support its stakeholders in the long term.

By order of the board on 12 June 2023.



J N W DENHOLM

Director

# DENHOLM GLOBAL LOGISTICS 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 England and Wales (company number 02922837).

#### **Principal activities**

The principal activity of the company is freight forwarding and freight management services.

#### **Results and dividends**

The profit for the year after taxation was £6,568,490 (2021 - £9,730,371).

The directors declared and the company paid a dividend of £6,000,000 for the year ended 31 December 2022 (2021 - £10,000,000).

#### **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 in 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 United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



**DENHOLM GLOBAL LOGISTICS LIMITED**

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

**YEAR ENDED 31 DECEMBER 2022**

**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.

**Streamlined energy and carbon report**

The Group have taken advantage of exemptions available not to disclose its energy and carbon report as the values have been disclosed in the financial statements of the ultimate parent company, J. & J. Denholm Limited.

**Going concern**

The directors having considered 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', is written over a horizontal line.

**J N W DENHOLM**  
Director

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM GLOBAL**  
**LOGISTICS 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 Global Logistics Limited ("the company") for the year ended 31 December 2022 which comprise the profit and loss account, the balance sheet, 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 GLOBAL LOGISTICS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM GLOBAL LOGISTICS 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 GLOBAL LOGISTICS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM GLOBAL  
LOGISTICS 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;
- 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:

*Mark McCluskey*

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20 June 2023

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

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

**DENHOLM GLOBAL LOGISTICS LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
TURNOVER	2	158,207,111	181,095,968
Cost of sales		(142,714,935)	(160,189,535)
GROSS PROFIT		15,492,176	20,906,433
Administrative expenses		(7,989,272)	(8,853,150)
Other operating income	3	146,900	11,423
OPERATING PROFIT	4	7,649,804	12,064,706
Income from other fixed asset investments	7	50,000	15,000
Interest receivable and similar income	8	556,934	190,283
Interest payable and similar charges	9	(34)	-
Amounts written off investments	10	-	(3,273)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		8,256,704	12,266,716
Tax on profit on ordinary activities	11	(1,688,214)	(2,536,345)
PROFIT FOR THE FINANCIAL YEAR		6,568,490	9,730,371

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 £6,568,490 attributable to the shareholders for the year ended 31 December 2022 (2021 - £9,730,371). Accordingly, a statement of other comprehensive income is not presented.

The notes on pages 14 to 28 form part of these financial statements.

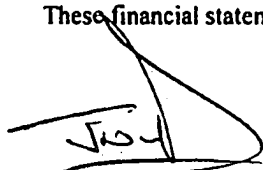
# DENHOLM GLOBAL LOGISTICS LIMITED

## BALANCE SHEET

31 DECEMBER 2022

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	13	1,184,556	1,415,598
Tangible assets	14	372,566	378,873
Investments	15	13,000	41,665
		<u>1,570,122</u>	<u>1,836,136</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	16	13,909,238	20,532,490
Debtors due after one year	16	5,000,000	5,000,000
Cash at bank and in hand		1,222,342	1,067,780
		<u>20,131,580</u>	<u>26,600,270</u>
<b>CREDITORS: Amounts falling due within one year</b>	18	<u>(14,463,293)</u>	<u>(21,111,568)</u>
<b>NET CURRENT ASSETS</b>		<u>5,668,287</u>	<u>5,488,702</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,238,409</u>	<u>7,324,838</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	19	-	(654,919)
<b>NET ASSETS</b>		<u>7,238,409</u>	<u>6,669,919</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	20	6,000,000	6,000,000
Profit and loss account	20	1,238,409	669,919
<b>SHAREHOLDERS' FUNDS</b>		<u>7,238,409</u>	<u>6,669,919</u>

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

  
**J N W DENHOLM**  
 Director

The notes on pages 14 to 28 form part of these financial statements.

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**31 DECEMBER 2022**

	Note	Called up Share capital £	Profit and loss account £	Total £
As at 31 December 2020		6,000,000	939,548	6,939,548
Profit for the financial year		-	9,730,371	9,730,371
Dividends paid on equity shares	12	-	(10,000,000)	(10,000,000)
<b>As at 31 December 2021</b>		<b>6,000,000</b>	<b>669,919</b>	<b>6,669,919</b>
Profit for the financial year		-	6,568,490	6,568,490
Dividends paid on equity shares	12	-	(6,000,000)	(6,000,000)
<b>As at 31 December 2022</b>		<b>6,000,000</b>	<b>1,238,409</b>	<b>7,238,409</b>

The notes on pages 14 to 28 form part of these financial statements

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

Denholm Global Logistics 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. They have been prepared on the going concern basis, as explained in the directors' report. 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 directors having considered 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.

The functional and presentational currency of Denholm Global Logistics Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

**Cash flow statement**

The directors have taken advantage of the exemption in Financial Reporting Standard 102, Section 1 from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its ultimate parent company includes the company in its consolidated financial statements.

**Turnover**

Turnover represents the fair value consideration received or receivable from the supply of freight forwarding and freight management services and is stated inclusive of duty and import VAT which is incurred on goods brought into the UK on behalf of our customers. These amounts are collected from our customers and paid over to HMRC. In all cases, turnover 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 to 7 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.



**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

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

**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.

**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.

**Dividends**

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

**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.

**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.

**Investments**

Unlisted fixed asset investments are shown at cost less provision for impairment as assessed by the directors.

**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.

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

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

**(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). If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at amortised cost, being the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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.

**(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.

**(iii) 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.

**Consolidation**

The company is exempt from the obligation to prepare and deliver group financial statements under S400 of the Companies Act 2006. Accordingly, these financial statements present only the financial position of the company. The undertaking in whose consolidated accounts its results are included is J. & J. Denholm Limited.

**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.

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

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

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

**(a) Operating leases**

The company has entered into commercial leases as a lessee and obtains the use of property, plant and equipment. The classification of such leases as operating or finance lease requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

**(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.

**2. TURNOVER**

	2022 £	2021 £
Rendering of services	<u>158,207,111</u>	<u>181,095,968</u>
By destination:		
United Kingdom	133,514,577	168,013,533
Europe	18,977,966	9,019,204
Rest of the World	5,714,568	4,063,231
	<u>158,207,111</u>	<u>181,095,968</u>

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**3. OTHER OPERATING INCOME**

	2022	2021
	£	£
Foreign exchange gain	134,561	8,763
Change in fair value of derivative instruments	3,096	2,784
Profit/(loss) on disposal of fixed assets	9,243	(124)
	<u>146,900</u>	<u>11,423</u>

**4. OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Amortisation of intangible assets	674,620	1,076,680
Depreciation of tangible fixed assets	91,355	82,675
Auditor's remuneration - audit fees	24,600	20,365
(Profit)/loss on disposal of fixed assets	(9,243)	124
Change in fair value of derivative instruments	(3,096)	(2,784)
Operating lease costs:		
Plant and equipment	-	534
Land and buildings	182,387	154,043
	<u>182,387</u>	<u>154,043</u>

**5. PARTICULARS OF EMPLOYEES**

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

	2022	2021
	Number	Number
Number of administrative staff	103	101
Number of management staff	5	5
	<u>108</u>	<u>106</u>

The aggregate payroll costs of the above were:

	2022	2021
	£	£
Wages and salaries	4,364,223	4,737,395
Social security costs	499,503	524,150
Other pension costs (note 21)	284,177	255,039
	<u>5,147,903</u>	<u>5,516,584</u>

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DÉCEMBER 2022**

**6. DIRECTORS' REMUNERATION**

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

	2022	2021
	£	£
Remuneration receivable	370,525	263,764
Company pension contributions to money purchase schemes	40,318	24,779
	<u>410,843</u>	<u>288,543</u>

Remuneration of highest paid director:

	2022	2021
	£	£
Total remuneration (excluding pension contributions)	130,735	136,148
Company pension contributions to money purchase schemes	9,045	8,530
	<u>139,780</u>	<u>144,678</u>

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

	2022	2021
	Number	Number
Money purchase schemes	<u>4</u>	<u>4</u>

Some of the company's directors were paid by other group companies during the year and in the prior year. The emoluments of these directors are shown in the financial statements of other group companies and it is not practical to make an apportionment of remuneration in respect of services provided to this company.

**7. INCOME FROM OTHER FIXED ASSET INVESTMENTS**

	2022	2021
	£	£
Dividends from other fixed asset investments	<u>50,000</u>	<u>15,000</u>

**8. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2022	2021
	£	£
Bank interest receivable	6,590	1,558
Interest receivable on amounts due from group undertakings	550,344	188,725
	<u>556,934</u>	<u>190,283</u>

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**9. INTEREST PAYABLE AND SIMILAR CHARGES**

	2022	2021
	£	£
Interest payable on amounts due to group undertakings	34	-

**10. AMOUNTS WRITTEN OFF INVESTMENTS**

	2022	2021
	£	£
Amount written off investments	-	3,273

During 2021 a bad debt was deemed irrecoverable in a subsidiary undertaking, African Logistics Marketing Limited, resulting in a loss of £3,273 that was written off against the investment value.

**11. 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	1,678,190	2,530,676
Under/(over) provision in prior year	1,546	(5,811)
Total current tax	1,679,736	2,524,865
Deferred tax:		
Origination and reversal of timing differences	8,478	11,480
Tax on profit on ordinary activities	1,688,214	2,536,345

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

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

(b) Factors affecting current tax charge for the year

Total 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%).

	2022 £	2021 £
Profit on ordinary activities before tax	<u>8,256,704</u>	<u>12,266,716</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%).	1,568,774	2,330,676
Expenses not deductible for tax purposes	5,871	5,245
Depreciation on assets not qualifying for capital allowances	1,670	1,697
Goodwill amortisation not eligible for tax purposes	128,178	204,569
Provision against investments	-	622
Dividends from UK investments	(9,500)	(2,850)
Differences in deferred tax rate	(3,008)	-
Adjustments to tax charge in respect of prior periods	1,232	(6,124)
Capital allowance claimed on super deduction	(5,003)	2,510
Tax charge	<u>1,688,214</u>	<u>2,536,345</u>

**12. DIVIDENDS**

	2022 £	2021 £
Dividends paid £1.00 per share (2021 - £1.67)	<u>6,000,000</u>	<u>10,000,000</u>

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**13. INTANGIBLE FIXED ASSETS**

	<b>Goodwill</b> <b>£</b>
Cost	
At 1 January 2022	5,266,833
Additions	443,578
At 31 December 2022	<u><u>5,710,411</u></u>
Amortisation	
At 1 January 2022	3,851,235
Charge for the year	674,620
At 31 December 2022	<u><u>4,525,855</u></u>
Net Book Value	
At 31 December 2022	<u><u>1,184,556</u></u>
At 31 December 2021	<u><u>1,415,598</u></u>

During the year, the contingent consideration payable to the former owners of African Logistics Marketing Limited was reviewed resulting in an increase to the goodwill on acquisition of £443,578 (2021 - £983,167).



**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**14. TANGIBLE FIXED ASSETS**

	<b>Freehold Property £</b>	<b>Leasehold Property £</b>	<b>Plant &amp; Machinery £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 January 2022	322,021	106,002	614,299	1,042,322
Additions	-	3,430	82,375	85,805
Disposals	-	-	(80,085)	(80,085)
<b>At 31 December 2022</b>	<b>322,021</b>	<b>109,432</b>	<b>616,589</b>	<b>1,048,042</b>
<b>Depreciation</b>				
At 1 January 2022	171,025	25,222	467,202	663,449
Charge for the year	6,444	14,154	70,757	91,355
On disposals	-	-	(79,328)	(79,328)
<b>At 31 December 2022</b>	<b>177,469</b>	<b>39,376</b>	<b>458,631</b>	<b>675,476</b>
<b>Net Book Value</b>				
At 31 December 2022	144,552	70,056	157,958	372,566
At 31 December 2021	150,996	80,780	147,097	378,873

**15. INVESTMENTS**

	<b>Unlisted investments £</b>	<b>Subsidiary undertakings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2022	500	1,068,498	1,068,998
Disposals	-	(1,055,998)	(1,055,998)
<b>At 31 December 2022</b>	<b>500</b>	<b>12,500</b>	<b>13,000</b>
<b>Provision</b>			
At 1 January 2022	-	1,027,333	1,027,333
Provisions released	-	(1,027,333)	(1,027,333)
<b>At 31 December 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Book Value</b>			
At 31 December 2022	500	12,500	13,000
At 31 December 2021	500	41,165	41,665

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**15. INVESTMENTS (continued)**

African Logistics Marketing Limited, a subsidiary undertaking, was dissolved on 1 November 2022, which in substance resulted in a return on capital of £28,665.

Details of the investments in which the company holds 20% or more of the nominal value of share capital are as follows:

<b>Subsidiary undertakings</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>%</b>
Hamilton Shipping (Container Services) Limited (in liquidation)	2-10 Duncrue Road, Belfast, BT3 9BP.	Freight forwarding	100

On 24 March 2023, Hamilton Shipping (Container Services) Limited entered into members voluntary liquidation.

**16. DEBTORS: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	9,035,076	17,445,677
Amounts owed by group undertakings	4,425,843	2,060,838
Other debtors	267,837	813,207
Prepayments and accrued income	166,747	191,756
Deferred taxation (note 17)	12,534	21,012
Fair value of derivative instruments	1,201	-
	<u>13,909,238</u>	<u>20,532,490</u>

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

Amounts owed by group undertakings includes a loan to the immediate parent company, which bears interest at the Bank of England base rate and is repayable on demand.

Amounts falling due after more than one year:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts owed by group undertakings	<u>5,000,000</u>	<u>5,000,000</u>

The amounts owed by group undertakings after more than one year is in respect of loans to the immediate parent undertaking, which bears interest at a fixed rate of 3.5% (2021 - 3.5%) plus Bank of England base rate and is repayable by 30 April 2026.

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**17. DEFERRED TAXATION**

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

	2022	2021
	£	£
Included in debtors (note 16)	12,534	21,012

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

	2022	2021
	£	£
Balance brought forward	21,012	20,822
On assets transferred from group companies	-	11,670
Profit and loss account movement arising during the year (note 11)	(8,478)	(11,480)
Balance carried forward	12,534	21,012

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

	2022	2021
	£	£
Accounting depreciation in excess of capital allowances	12,534	21,012

**18. CREDITORS: Amounts falling due within one year**

	2022	2021
	£	£
Trade creditors	4,375,026	7,617,223
Amounts owed to group undertakings	260,803	366,379
Other creditors	665,110	963,346
Accruals and deferred income	6,711,389	10,154,746
Corporation tax payable	1,488,491	1,766,971
Fair value of derivative instruments	-	2,014
Deferred consideration	962,474	240,889
	14,463,293	21,111,568

The financial liabilities above are recorded at transaction price. The debt instrument above is included at the undiscounted amount payable. The derivative financial instruments above are recorded at fair value.

The amounts owed to group undertakings in 2021 include a loan from a subsidiary company which bore interest at 3.5% plus the Bank of England base rate and was repayable on demand.

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**19. CREDITORS: Amounts falling due after more than one year**

	2022	2021
	£	£
Deferred consideration	-	654,919

**20. SHARE CAPITAL**

Allotted, called up and fully paid:

	2022		2021
	Number	£	Number
	6,000,000	6,000,000	6,000,000
Ordinary shares of £1 each	6,000,000	6,000,000	6,000,000

The profit and loss account of £1,238,409 (2021 - £669,919) represents cumulative profits or losses, net of dividends paid and other adjustments.

**21. PENSIONS**

The company contributes to a defined contribution scheme for which the pension charge for the year amounted to £284,177 (2021 - £255,039).

**22. COMMITMENTS UNDER OPERATING LEASES**

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

	2022		2021
	Land and buildings	Other Items	Land and buildings
	£	£	£
Operating lease payments due:			
Within 1 year	171,060	-	151,602
Within 2 to 5 years	160,705	-	160,285
	331,765	-	311,887

**31 DECEMBER 2022**

During the year the company entered into the following transactions, in the ordinary course of business, with related parties:

	Purchases from related party £	Sales to related party £	Trading balances owed to related party £	Trading balances owed from related party £
Related Party				
2021				
Denholm Port Services Limited *	61,210	93,474	4,673	5,605
Petrasco Services Limited **	-	-	-	1,536
Petrasco Services Middle East LLC **	-	-	3,051	-
Petrasco Inc **	-	-	340	-
	<u>61,210</u>	<u>93,474</u>	<u>8,064</u>	<u>7,141</u>

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 a wholly owned subsidiary of J. & J. Denholm Limited.

**DENHOLM GLOBAL LOGISTICS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2022**

**24. POST BALANCE SHEET EVENTS**

The immediate parent undertaking, Denholm Logistics Limited transferred 100% of its investment in the company to John Good Logistics Limited, a fellow group undertaking of J. & J. Denholm, on 1 May 2023.

**25. 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.