

**COMPANY REGISTRATION NUMBER 09709760**

**DENHOLM LOGISTICS GROUP LIMITED**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2020**



**DENHOLM LOGISTICS GROUP LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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

**DENHOLM LOGISTICS GROUP LIMITED**  
**OFFICERS AND PROFESSIONAL ADVISERS**

**Directors**

B D R MacLehose  
J N W Denholm  
J S Denholm (Resigned 27 November 2020)  
M B Forsyth  
K J Hall  
M K Hall  
G A Hanson (Resigned 27 November 2020)  
S B Hughes  
M G McMahon  
J Watt  
S L Preston (Appointed 29 January 2021)

**Secretary**

G A Hanson (Resigned 31 December 2020)  
C D G Daniels (Appointed 31 December 2020)

**Registered office**

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

**Independent auditor**

BDO LLP  
Chartered Accountants and Statutory Auditor  
Glasgow  
United Kingdom

# DENHOLM LOGISTICS GROUP LIMITED

## STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2020

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 that of a holding company combined with the provision of management, accounting, IT and health and safety support to subsidiary companies.

The company's key performance indicator is the carrying value of investments in its subsidiaries. An impairment review was undertaken at the year end and no indications of impairment were identified. At 31 December 2020 the carrying value of the company's investments was £32,367,533 (2019 - £27,867,533).

The Covid-19 outbreak posed a particular risk to the business in 2020 and that is set to continue through 2021. The directors have taken steps to manage the impact of Covid-19 on the subsidiary businesses by reducing costs where possible, claiming government grants and adapting business processes to comply with social distancing measures.

### **Financial risk management**

The company's principal risks and uncertainties relate to the carrying value of its investments in subsidiaries. The company carries out annual impairment reviews with reference to the trading projections of subsidiaries to monitor the risk of impairment.

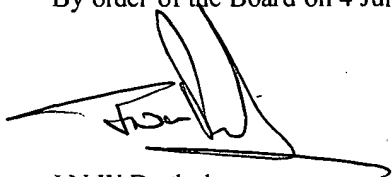
The company's principal financial assets are amounts owed by group undertakings. The company periodically assesses the strength of its subsidiaries with reference to the loan balances due from them and considers whether it is probable that the loans will be repaid in full or whether provisions are required.

The company's principal financial liabilities are amounts owed to group undertakings. The company has negotiated a loan facility from its parent company to fund ongoing and planned expansion within its subsidiaries.

### **Future developments**

The Covid-19 outbreak and subsequent restrictions on business activity, which have created a global economic downturn, are expected to continue into 2021. Notwithstanding the impact of Covid-19, the directors anticipate that the business is well positioned to take advantage of the expected global recovery and that 2021 will be a strong year.

By order of the Board on 4 June 2021.



J N W Denholm  
Director

# DENHOLM LOGISTICS GROUP LIMITED

## DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2020

The directors submit their report and the financial statements of the company for the year ended 31 December 2020.

#### **Company number**

The company is registered in England and Wales (company number 09709760).

#### **Principal activities**

The principal activity of the company is that of a holding company combined with the provision of management, accounting, IT and health and safety support to subsidiary companies.

#### **Results and dividends**

The profit for the year after taxation was £3,109,310 (2019 - £3,069,226). The directors declared and the company paid a dividend of £3,000,000 for the year ended 31 December 2020 (2019 - £3,100,000).

#### **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 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 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.

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 LOGISTICS GROUP LIMITED

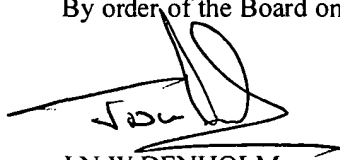
## DIRECTORS' REPORT *(continued)*

### YEAR ENDED 31 DECEMBER 2020

#### Going concern

The directors have considered the overall impact of the coronavirus on the business. Management has carried out detailed reforecasts (based on a range of possible outcomes) taking account of the impact of Brexit and the coronavirus. Having been provided with this analysis, the directors, having considered these forecasts, cash resources, facilities, and projected costs (taking account of mitigation available) 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 4 June 2021.



J N W DENHOLM  
Director

# DENHOLM LOGISTICS GROUP LIMITED

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

YEAR ENDED 31 DECEMBER 2020

### 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 2020 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 Logistics Group Limited ("the company") for the year ended 31 December 2020 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 are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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 LOGISTICS GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENHOLM LOGISTICS GROUP LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2020

#### 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 LOGISTICS GROUP LIMITED**

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

**YEAR ENDED 31 DECEMBER 2020**

**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; assessing whether the judgements made in accounting estimates are indicative of a potential bias; and 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 2020; 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.

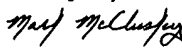
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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:  
  
C17EC888DFB84C8...

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

10 June 2021

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

**DENHOLM LOGISTICS GROUP LIMITED**

**PROFIT AND LOSS ACCOUNT**

**YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
Administrative expenses		<b>(377,035)</b>	(574,525)
Other operating income		<b>1,885</b>	-
<b>OPERATING LOSS</b>	<b>2</b>	<b>(375,150)</b>	(574,525)
Income from shares in group undertakings	<b>5</b>	<b>3,800,000</b>	3,950,000
Interest receivable and similar income	<b>6</b>	<b>222,224</b>	243,885
Interest payable and similar charges	<b>7</b>	<b>(699,116)</b>	(754,800)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>2,947,958</b>	2,864,560
Tax on profit on ordinary activities	<b>8</b>	<b>161,352</b>	204,666
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>3,109,310</b>	3,069,226

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 £3,109,310 attributable to the shareholders for the year ended 31 December 2020 (2019 - £3,069,226). Accordingly, a statement of other comprehensive income is not presented.

The notes on pages 11 to 21 form part of these financial statements

# DENHOLM LOGISTICS GROUP LIMITED

## BALANCE SHEET

**31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	10	261,549	295,043
Investments	11	32,367,533	27,867,533
		<u>32,629,082</u>	<u>28,162,576</u>
<b>CURRENT ASSETS</b>			
Debtors due within one year	12	2,424,411	775,843
Debtors due after one year	12	6,000,000	6,000,000
Cash at bank and in hand		128,484	179,124
		<u>8,552,895</u>	<u>6,954,967</u>
CREDITORS: Amounts falling due within one year	14	(12,384,812)	(6,429,688)
NET CURRENT (LIABILITIES)/ASSETS		<u>(3,831,917)</u>	<u>525,279</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		28,797,165	28,687,855
CREDITORS: Amounts falling due after more than one year	15	(17,500,000)	(17,500,000)
NET ASSETS		<u>11,297,165</u>	<u>11,187,855</u>
<b>CAPITAL AND RESERVES</b>			
Called-up share capital	17	10,000,000	10,000,000
Profit and loss account	17	1,297,165	1,187,855
SHAREHOLDERS' FUNDS		<u>11,297,165</u>	<u>11,187,855</u>

These financial statements were approved by the Board on 4 June 2021.



**J N W DENHOLM**  
Director

The notes on pages 11 to 21 form part of these financial statements.

**DENHOLM LOGISTICS GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

**YEAR ENDED 31 DECEMBER 2020**

	<b>Note</b>	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total £</b>
As at 31 December 2018		10,000,000	1,218,629	11,218,629
Profit for the year		-	3,069,226	3,069,226
Dividends paid on equity shares	9	-	(3,100,000)	(3,100,000)
<b>As at 31 December 2019</b>		<b>10,000,000</b>	<b>1,187,855</b>	<b>11,187,855</b>
Profit for the year		-	3,109,310	3,109,310
Dividends paid on equity shares	9	-	(3,000,000)	(3,000,000)
<b>As at 31 December 2020</b>		<b>10,000,000</b>	<b>1,297,165</b>	<b>11,297,165</b>

The notes on pages 11 to 21 form part of these financial statements.

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**1. ACCOUNTING POLICIES**

**Basis of accounting**

Denholm Logistics Group 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 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 2020 and these financial statements may be obtained from Companies House.

The company has net current liabilities of £3,831,917 (2019 - net current assets of £525,279) at the balance sheet date.

The directors have considered the overall impact of the coronavirus on the business. Management has carried out detailed reforecasts (based on a range of possible outcomes) taking account of the impact of Brexit and the coronavirus. Having been provided with this analysis, the directors, having considered these forecasts, cash resources, facilities, and projected costs (taking account of mitigation available) 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 Logistics Group 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 on the grounds that the company is wholly owned and its ultimate parent includes the company in its consolidated financial statements.

**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
Fixtures & Fittings	- 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 LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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.

**Investments**

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

**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.

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

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

**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:

**(a) The valuation of unlisted investments**

The company carries out impairment reviews whenever events or circumstances indicate that the carrying value of an unlisted investment may not be recoverable. An impairment loss is recognised when the recoverable amount is less than the carrying value.

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

**Coronavirus Job Retention Scheme receipts**

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

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**2. OPERATING LOSS**

Operating loss is stated after charging/(crediting):

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>78,691</b>	76,677
Auditor's remuneration - audit fees	<b>4,792</b>	4,092
Coronavirus Job Retention Scheme receipts	<b>(1,885)</b>	-
Operating lease costs:		
Land and buildings	<b>115,045</b>	117,597
	<u><b>115,045</b></u>	<u>117,597</u>

The administrative expenses are stated net of recharges to subsidiary undertakings for the apportionment of staff costs and related expenses.

Other operating income of £1,885 (2019 - £Nil) related to payment received in the year via the UK government's Coronavirus Job Retention Scheme.

**3. PARTICULARS OF EMPLOYEES**

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

	<b>2020</b>	2019
	<b>Number</b>	Number
Number of management staff	<b>3</b>	3
Number of administrative staff	<b>21</b>	17
	<u><b>24</b></u>	<u>20</u>

The aggregate payroll costs of the above were:

	<b>2020</b>	2019
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,272,035</b>	1,234,310
Social security costs	<b>154,940</b>	146,231
Other pension costs (note 16)	<b>92,074</b>	98,830
	<u><b>1,519,049</b></u>	<u>1,479,371</u>



**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**4. DIRECTORS' REMUNERATION**

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

	<b>2020</b>	2019
	<b>£</b>	£
Aggregate remuneration	<b>1,064,470</b>	1,120,403
Company pension contributions to money purchase schemes	<b>68,825</b>	85,684
	<u><b>1,133,295</b></u>	<u>1,206,087</u>

Remuneration of highest paid director:

	<b>2020</b>	2019
	<b>£</b>	£
Total remuneration (excluding pension contributions)	<b>299,889</b>	315,677
Company pension contributions to money purchase schemes	<b>26,000</b>	26,000
	<u><b>325,889</b></u>	<u>341,677</u>

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

	<b>2020</b>	2019
	<b>Number</b>	Number
Money purchase schemes	<u><b>5</b></u>	<u>6</u>

Some of the company's directors were paid by other group companies during the year and in the prior year. As Denholm Logistics Group Limited is both a subsidiary and parent company, the emoluments reported above relate to the remuneration paid to the directors for their services to the company and its subsidiaries. Certain of the directors are remunerated by J. & J. Denholm Limited 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.

**5. INCOME FROM SHARES IN GROUP UNDERTAKINGS**

	<b>2020</b>	2019
	<b>£</b>	£
Dividends received from subsidiary undertakings	<u><b>3,800,000</b></u>	<u>3,950,000</u>

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	<b>2020</b>	2019
	<b>£</b>	£
Interest receivable on amounts due from group undertakings	<u><b>222,224</b></u>	<u>243,885</u>

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest payable on amounts due to group undertakings	<b>699,116</b>	<b>754,800</b>

**8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

**(a) Analysis of tax credit**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current tax:		
In respect of the year:		
UK Corporation tax based on the results for the year	<b>(158,694)</b>	<b>(202,405)</b>
Over provision in prior year	<b>(131)</b>	<b>-</b>
	<b>(158,825)</b>	<b>(202,405)</b>
Deferred tax:		
Origination and reversal of timing differences	<b>(2,527)</b>	<b>(2,261)</b>
Tax on profit on ordinary activities	<b>(161,352)</b>	<b>(204,666)</b>

**(b) Factors affecting current tax credit for the year**

The tax assessed on the profit on ordinary activities for the year is lower (2019 - lower) than the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are reconciled below:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit on ordinary activities before tax	<b>2,947,958</b>	<b>2,864,560</b>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>560,112</b>	<b>544,266</b>
Expenses not deductible for tax purposes	<b>450</b>	<b>1,406</b>
Dividends from UK subsidiaries	<b>(722,000)</b>	<b>(750,500)</b>
Differences in deferred tax rate	<b>(2,325)</b>	<b>266</b>
Depreciation on assets not qualifying for capital allowances	<b>2,426</b>	<b>2,421</b>
Adjustments to tax charge in respect of prior period	<b>(15)</b>	<b>-</b>
Sundry adjustments	<b>-</b>	<b>(2,525)</b>
Total tax credit	<b>(161,352)</b>	<b>(204,666)</b>

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

9. DIVIDENDS

	2020 £	2019 £
Dividends paid £0.30 per share (2019 - £0.31)	<u><u>3,000,000</u></u>	<u><u>3,100,000</u></u>

10. TANGIBLE FIXED ASSETS

	Leasehold Property £	Fixtures & Fittings £	Motor Vehicles £	Total £
Cost				
At 1 January 2020	292,229	506,787	40,980	839,996
Additions	14,760	37,014	-	51,774
Disposals	-	(99,565)	(19,730)	(119,295)
At 31 December 2020	<u><u>306,989</u></u>	<u><u>444,236</u></u>	<u><u>21,250</u></u>	<u><u>772,475</u></u>
Depreciation				
At 1 January 2020	111,789	414,382	18,782	544,953
Charge for the period	25,797	43,468	9,426	78,691
On disposals	-	(99,565)	(13,153)	(112,718)
At 31 December 2020	<u><u>137,586</u></u>	<u><u>358,285</u></u>	<u><u>15,055</u></u>	<u><u>510,926</u></u>
Net Book Value				
At 31 December 2020	<u><u>169,403</u></u>	<u><u>85,951</u></u>	<u><u>6,195</u></u>	<u><u>261,549</u></u>
At 31 December 2019	<u><u>180,440</u></u>	<u><u>92,405</u></u>	<u><u>22,198</u></u>	<u><u>295,043</u></u>

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

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

11. INVESTMENTS

	<b>Subsidiary undertakings £</b>
Cost	
At 1 January 2020	27,867,533
Additions	4,500,000
At 31 December 2020	<b>32,367,533</b>
Net Book Value	
At 31 December 2020	<b>32,367,533</b>
At 31 December 2019	<b>27,867,533</b>

During the year, the company subscribed for a further 4.5 million ordinary shares of £1 each in Denholm UK Logistics Limited, a subsidiary undertaking.

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>
Denholm Port Services Ltd (*)	18 Woodside Crescent, Glasgow G3 7UL	Ship agents	60%
Denholm UK Logistics Ltd (*)	Woodside Crescent, Glasgow G3 7UL 5 St Paul's Square, Old Hall Street, Liverpool, L3 9SJ St Paul's Square, Old Hall Street, Liverpool, L3 9SJ	Warehousing & Transport	100%
Denholm Global Logistics Ltd (*)	5 St Paul's Square, Old Hall Street, Liverpool, L3 9SJ St Paul's Square, Old Hall Street, Liverpool, L3 9SJ	Freight forwarding	100%
Lacy & Middlemiss Shipbrokers Ltd (*)	102-110 High Street, Shoreham-by-Sea, West Sussex BN43 5DB-110 High Street, Shoreham-by-Sea, West Sussex BN43 5DB	Shipbroking	100%
Hamilton Shipping Holdings Ltd (*)	2-10 Duncrue Road, Belfast BT3 9BP-10 Duncrue Road, Belfast BT3 9BP	Investment Holdings	100%
Hamilton Shipping (Port Services) Ltd (*)	2-10 Duncrue Road, Belfast BT3 9BP-10 Duncrue Road, Belfast BT3 9BP	Ship agents	100%
Denholm Transport Ltd (*)	5 St Paul's Square, Old Hall Street, Liverpool, L3 9SJ	Dormant	100%
Hamilton Shipping (Container Services) Ltd	2-10 Duncrue Road, Belfast BT3 9BP-10 Duncrue Road, Belfast BT3 9BP	Freight forwarding	100%
Scruttons (NI) Ltd	2-10 Duncrue Road, Belfast BT3 9BP-10 Duncrue Road, Belfast BT3 9BP	Stevedoring	100%
Kenneth Hunter Shipping Ltd	2-10 Duncrue Road, Belfast BT3 9BP-10 Duncrue Road, Belfast BT3 9BP	Dormant	100%
African Logistics Marketing Ltd	1 Beauchamp Court, Barnet, EN5 5TZ	Dormant	100%

The companies marked (\*) are owned directly by Denholm Logistics Group Limited.

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**12. DEBTORS**

	<b>2020</b>	2019
	<b>£</b>	£
Amounts falling due within one year:		
Amounts owed by group undertakings	<b>1,258,040</b>	324,703
Group relief receivable	<b>158,694</b>	202,405
Other debtors	<b>853,359</b>	99,645
Prepayments and accrued income	<b>131,907</b>	129,206
Deferred taxation (note 13)	<b>22,411</b>	19,884
	<b><u>2,424,411</u></b>	<u>775,843</u>

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

The amounts owed by group undertakings within one year includes loans to the parent undertaking which bears interest at the Bank of England base rate and another group company which bears interest at a rate of 3.5% (2019 - 3.5%) plus Bank of England base rate and are repayable on demand.

Amounts falling due after more than one year:

	<b>2020</b>	2019
	<b>£</b>	£
Amounts owed by group undertakings	<b><u>6,000,000</u></b>	<u>6,000,000</u>

The amounts owed by group undertakings after more than one year are in respect of loans to subsidiary companies which bear interest at a rate of 3.5% plus Bank of England base rate and which are repayable by 31 March 2023. These loans are recorded at amortised cost.

**13. DEFERRED TAXATION**

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

	<b>2020</b>	2019
	<b>£</b>	£
Included in debtors (note 12)	<b><u>22,411</u></b>	<u>19,884</u>

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

	<b>2020</b>	2019
	<b>£</b>	£
Balance brought forward	<b>19,884</b>	17,623
Profit and loss account movement arising during the year (note 8)	<b><u>2,527</u></b>	<u>2,261</u>
Balance carried forward	<b><u>22,411</u></b>	<u>19,884</u>

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**13. DEFERRED TAXATION** (*continued*)

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

	2020	2019
	£	£
Accounting depreciation in excess of capital allowances	<b>22,411</b>	19,884

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

	2020	2019
	£	£
Trade creditors	<b>17,441</b>	101,605
Amounts owed to group undertakings	<b>12,054,314</b>	5,891,792
Other creditors	<b>86,798</b>	59,740
Accruals and deferred income	<b>226,259</b>	376,551
	<b>12,384,812</b>	6,429,688

The financial liabilities above are recorded at transaction price. The debt instruments payable above are recorded at the undiscounted amount payable.

The amounts due to group undertakings within one year includes a loan from the immediate parent undertaking which bear interest at a rate of 3.5% (2019 - 3.5%) plus Bank of England base rate and loans from subsidiary companies that bear interest at the Bank of England base rate. These loans are repayable on demand.

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

	2020	2019
	£	£
Amounts owed to group undertakings	<b>17,500,000</b>	17,500,000

The amounts due to group undertakings after one year are in respect of loans from the immediate parent undertaking, which bear interest at a rate of 4% and are due for repayment by 30 June 2022 and another group company which bear interest at a rate of 3.5% (2019 - 3.5%) plus Bank of England base rate and are due for repayment by 31 May 2025. These loans are recorded at amortised cost.

**16. PENSIONS**

The company contributes to a defined contribution scheme for which the pension charge for the year amounted to £92,074 (2019 - £98,830).

**DENHOLM LOGISTICS GROUP LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 DECEMBER 2020**

**17. SHARE CAPITAL**

Allotted, called up and fully paid:

	2020		2019	
	Number	£	Number	£
	10,000,000	10,000,000	10,000,000	10,000,000
Ordinary shares of £1 each				

The profit and loss account of £1,297,165 (2019 - £1,187,855) represents cumulative profits or losses, net of dividends paid and other adjustments.

**18. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2020 the total future minimum lease payments under non-cancellable operating leases were as follows:

	Land & Buildings 2020 £	Land & Buildings 2019 £
Operating leases payable:		
Within 1 year	111,065	97,988
Within 2 to 5 years	-	96,222
	<u>111,065</u>	<u>194,210</u>

**19. RELATED PARTY TRANSACTIONS**

At the year end the balances owed from Denholm Port Services Limited, a fellow subsidiary of the ultimate parent company, were £9,115 (2019 - £6,646) and the balances owed to Denholm Port Services were £Nil (2019 - £1,022).

Transactions with entities in which the J. & J. Denholm Limited group of companies has 100% of the voting rights are not disclosed, as permitted by Section 33.1A of FRS 102.

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

**20. ULTIMATE PARENT COMPANY**

The ultimate parent undertaking is J. & J. Denholm Limited, a company registered in England & Wales. Copies of the accounts of J. & J. Denholm Limited, the largest and smallest group undertaking which consolidates the financial statements of the company, may be obtained from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF14 3UZ.