

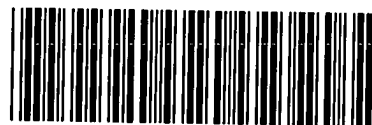
Registered number: 01070973

**GREENWORKS CONTROLLED
ENVIRONMENTS LIMITED**

AUDITED FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 SEPTEMBER 2021**

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GREENWORKS CONTROLLED ENVIRONMENTS LIMITED
REGISTERED NUMBER:01070973

BALANCE SHEET
AS AT 30 SEPTEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	10,291	16,791
Tangible assets	5	391,723	314,160
		<u>402,014</u>	<u>330,951</u>
Current assets			
Stocks		151,451	164,756
Debtors: amounts falling due within one year	6	581,748	520,106
Bank and cash balances		476,004	491,060
		<u>1,209,203</u>	<u>1,175,922</u>
Creditors: amounts falling due within one year	7	(971,524)	(921,120)
Net current assets		<u>237,679</u>	<u>254,802</u>
Total assets less current liabilities		<u>639,693</u>	<u>585,753</u>
Creditors: amounts falling due after more than one year	8	(93,247)	(106,245)
Net assets		<u><u>546,446</u></u>	<u><u>479,508</u></u>
Capital and reserves			
Called up share capital		5,410	5,410
Share premium account		60,902	60,902
Profit and loss account		480,134	413,196
		<u><u>546,446</u></u>	<u><u>479,508</u></u>

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED
REGISTERED NUMBER: 01070973

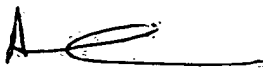
BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2021

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
A. R. J. Warren
Director

Date: 31/5/22

The notes on pages 3 to 11 form part of these financial statements.

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. General information

Greenworks Controlled Environments Limited (the company) is a company limited by shares and domiciled and incorporated in England and Wales.

The address of its registered office is Unit 1, Warsop Trading Estate, Hever Road, Edenbridge, Kent, TN8 5LD.

The addresses of the company's places of business are Haltwhistle Road, Western Industrial Estate, South Woodham Ferrers, Essex, CM3 5ZA and Unit 2 Roman Way, Thetford, Norfolk, IP24 1XB.

The principal activities are the supply and servicing of air conditioning units and refrigeration.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

Monetary amounts in these financial statements are presented in pounds sterling and are rounded to the nearest whole £1, except where otherwise stated.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Installation project income

Profit is recognised on long-term contracts, if the final outcome can be assessed with reasonable certainty, by including in the Statement of Income and Retained Earnings turnover and related costs as contract activity progresses. Turnover is calculated as the proportion of total contract value equivalent to the percentage of costs to date compared with estimated total costs.

Service income

Annual service income is recognised over the maintenance period. The company receives revenue in advance for annual maintenance. At the balance sheet date, the deferred income recognised on the balance sheet represents revenue received in advance for this service, which is released to the Statement of Income and Retained Earnings over the maintenance period.

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Statement of Income and Retained Earnings over its useful economic life.

The estimated useful lives range as follows:

Goodwill	10% straight line
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2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 50 years straight line for property; 10 years straight line for improvements
Plant and machinery	- 25% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.7 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

2.9 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.12 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.13 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.15 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings except that a charge attributable to an item recognised directly in equity is also recognised directly in equity.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

3. Employees

The average monthly number of employees, including directors, during the year was 35 (2020 - 36).

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

4. Intangible assets

	Goodwill £
Cost	
At 1 October 2020	93,250
At 30 September 2021	<u>93,250</u>
Amortisation	
At 1 October 2020	76,459
Charge for the year on owned assets	6,500
At 30 September 2021	<u>82,959</u>
Net book value	
At 30 September 2021	<u><u>10,291</u></u>
At 30 September 2020	<u><u>16,791</u></u>

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

5. Tangible fixed assets

	Land and buildings £	Other fixed assets £	Total £
Cost or valuation			
At 1 October 2020	172,341	490,476	662,817
Additions	5,391	167,107	172,498
Disposals	-	(80,820)	(80,820)
At 30 September 2021	177,732	576,763	754,495
Depreciation			
At 1 October 2020	49,532	299,125	348,657
Charge for the year on owned assets	7,237	14,538	21,775
Charge for the year on financed assets	-	72,891	72,891
Disposals	-	(80,551)	(80,551)
At 30 September 2021	56,769	306,003	362,772
Net book value			
At 30 September 2021	120,963	270,760	391,723
At 30 September 2020	122,809	191,351	314,160

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Motor vehicles	261,247	185,406

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

6. Debtors

	2021 £	2020 £
Trade debtors	482,009	408,241
Other debtors	5,462	6,043
Prepayments and accrued income	73,355	78,206
Deferred taxation	20,922	27,616
	<u>581,748</u>	<u>520,106</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Obligations under finance lease and hire purchase contracts	99,550	54,797
Trade creditors	267,966	228,791
Amounts owed to group undertakings	194,360	124,086
Corporation tax	-	6,390
Other taxation and social security	137,629	177,019
Other creditors	12,891	7,284
Accruals and deferred income	259,128	322,753
	<u>971,524</u>	<u>921,120</u>

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	93,247	78,855
Other taxation and social security	-	27,390
	<u>93,247</u>	<u>106,245</u>

Secured loans

Finance lease liabilities are secured on the assets to which they relate.

The aggregate secured debt on creditors due within one year at the year-end was £99,550 (2020: £54,797).

The aggregate secured debt on creditors due after more than one year at the year-end was £93,247 (2020: £78,855).

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

9. Deferred taxation

	2021 £
At beginning of year	27,616
Charged to profit or loss	(6,694)
At end of year	20,922

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	20,922	27,616

10. Financial commitments and guarantees

A debenture exists, dated 7 June 2016, in favour of the company's banker, which gives a cross guarantee to borrowings made by Greenworks Controlled Environments Limited, Greenworks Solutions Limited, the parent company, and Zepbrook Limited, a fellow subsidiary company. The net bank borrowings (2020: net bank balance) across the group amounted to £55,379 (2020: £348,350 net bank balance). Excluding positive balances in the group, the bank borrowings amounted to £3,318,482 (2020: £3,404,807).

11. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £40,952 (2020: £40,874). Contributions totalling £7,890 (2020: £7,285) were payable to the fund at the balance sheet date and are included in creditors.

12. Commitments under operating leases

At 30 September 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	51,433	53,501
Later than 1 year and not later than 5 years	85,543	128,642
	136,976	182,143

GREENWORKS CONTROLLED ENVIRONMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

13. Related party transactions

The company has taken advantage of exemption, under the terms of section 33.1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

14. Controlling party

The company is a wholly owned subsidiary of Greenworks Solutions Limited, which is controlled by A. R. J. Warren and C. G. Warren. Greenworks Solutions Limited prepares group financial statements, and copies can be obtained from Unit 1 Warsop Trading Estate, Hever Road, Edenbridge, Kent, TN8 5LD.

15. Auditors' information

The auditors' report on the financial statements for the year ended 30 September 2021 was unqualified.

The audit report was signed on 9 June 2022 by Matthew Neill BA (Hons) MA FCA (Senior statutory auditor) on behalf of Creaseys Group Limited.