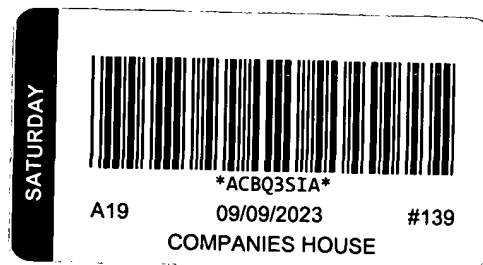


Registration number: 06334847

Greenzone Facilities Management Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2023



Page Kirk LLP
Chartered Accountants and Statutory Auditors
Sherwood House
7 Gregory Boulevard
Nottingham
NG7 6LB

Greenzone Facilities Management Limited

Contents

Company Information	1
Strategic Report	2 to 9
Directors' Report	10
Statement of Directors' Responsibilities	11
Independent Auditor's Report	12 to 15
Profit and Loss Account	16
Balance Sheet	17
Statement of Changes in Equity	18
Notes to the Financial Statements	19 to 34

Greenzone Facilities Management Limited

Company Information

Chairman	Mr P A McConnell
Directors	Mrs L H Taggart Mr D Miller
Company secretary	Mrs L H Taggart
Registered office	The Corner House Brunel Drive Newark Nottinghamshire NG24 2EG
Auditors	Page Kirk LLP Chartered Accountants and Statutory Auditors Sherwood House 7 Gregory Boulevard Nottingham NG7 6LB

Greenzone Facilities Management Limited

Strategic Report for the Year Ended 31 March 2023

The directors present their strategic report for the year ended 31 March 2023.

Principal activity

The principal activity of the company continues to be the provision of waste/resource management services as a registered broker.

Results

The profit after tax of £837k is an increase of £24k (3%) on last year's profit after tax of £813k.

Turnover of £16,552k is 2% higher than last year's turnover of £16,288k. Despite global economic headwinds, the Company continued to add new customers to its portfolio, in addition to seeing growth in its existing customer base. Cost of sales have increased by 1%, as improvements in supply chain efficiencies offset continuing inflationary pressures.

The Company continued to invest in its talented workforce and in its industry leading software. Continued focus on managing expenses helped to mitigate inflationary pressures, especially around wages and energy costs. As a result, operating profit increased by 2% to £1,040k.

Fair review of the business

The Company has continued to grow its turnover and profit in a challenging external environment. The aftermath of the COVID-19 pandemic and the ongoing war in Ukraine have caused unprecedented disruption to economies worldwide and presented unique obstacles for the waste management sector.

There have been disruptions in waste generation patterns, due to changes in working (for example, remote working) and changes in consumer behaviour. Some sectors have experienced a surge in waste (for example, the healthcare sector) while others (such as hospitality) have seen reduced waste volumes. The waste industry has had to adapt collection, transportation, and treatment processes to accommodate these shifts.

There have also been disruptions in recycling and waste diversion. Initiatives have been impacted by reduced staffing at facilities, decreased collection rates and changes in consumer behaviour, resulting in lower recycling rates.

The economic downturn has led to budgetary constraints for businesses. Customers have deferred spending on waste projects to focus on other priorities and, in some cases, there has been a reluctance to change suppliers and incumbent suppliers have fought harder to retain work. This has made securing new business and maintaining or increasing revenue and profit from existing business challenging.

The waste industry relies on the market value of recyclable commodities. Economic challenges have caused volatility in the commodity prices affecting the profitability of permitted facilities.

As always, the regulatory environment is constantly changing and there is an accelerated global focus on sustainability and the environment. The waste industry must continually adapt to changing regulations, adopt sustainable practices, and invest in technologies that improve resource re-use, recovery and waste-to-energy processes.

Finally, the tight employment market has highlighted the need for digitization and automation in processes and has resulted in increasing recruitment costs and labour turnover.

The Company has, and continues, to not only adapt and embrace change but to be resourceful, and during the year we have completed an internal restructure and invested further in our people and processes.

Greenzone Facilities Management Limited

Strategic Report for the Year Ended 31 March 2023

People and Process

Despite the challenging employment market, the Company has assembled and is developing a strong team. New recruits at all levels from the waste industry have added relevant experience and skills. Notably, the bidding process has improved as we have adopted a project approach as part of our successful bidding strategy. Through investment in the team and the bidding process, we have secured new business and have developed a strong pipeline of opportunities.

During the year, there have been several activities aimed at upskilling our team with a focus on communication, training, policies and building awareness of diversity and inclusion and mental health.

(1) Team Development. We have recruited an HR and Training professional to deliver bespoke leadership and management training, to provide ongoing support to management and to monitor application of new skills.

(2) Pay and Benefits. We have increased holiday entitlement, and supported employees with hybrid working or part-time working. 35% of our employees benefit from hybrid working while at the end of the year 24% of employees worked part time. We have maintained our Living Wage Foundation Employer status demonstrating our commitment to tackling low pay. We also monitor salaries and benefits to remain competitive and attract and retain employees.

(3) Mental Health First Aiders. The Company takes mental health seriously and cares about the wellbeing of its staff. We employ trained mental health first aiders to support staff and encourage positivity and wellbeing in the workplace.

(4) Communication and Group Training. There have been improvements to the on-line learning portal with all staff completing a variety of mandatory and voluntary courses. We have delivered a diversity and inclusion workshop and introduced Lunch and Learn sessions and various other initiatives to improve communication and encourage feedback and ideas.

(5) Dedicated Systems Trainer and Employer-Funded Individual Training and Further Education. We have appointed a dedicated Systems Trainer and introduced employer funded individual training to, amongst other things, improve productivity and performance and to enable system users and develop people.

Awards, Certifications and Recognition

The business secured ISO45001 and ISO27001 and retained ISO14001 and ISO9001. ISO45001 demonstrates our commitment to health and safety. Alongside our existing Cyber Essentials accreditation, we have achieved ISO27001 to demonstrate our cyber-resilience and the systems in place to manage risks related to the security of data.

We believe that winning awards celebrates hard work and improves credibility with key stakeholders. During the year we were nominated at the Letsrecycle Excellence Awards 2023 for a waste management initiative in the retail, commercial and public sector. Further, we won a Green Apple Award for a "Combat Waste" project and won the "Business of the Year" award at the Newark Business Awards.

Greenzone Facilities Management Limited

Strategic Report for the Year Ended 31 March 2023

Customer Engagement and Relations

The Company continues to excel at customer support and account management with both teams being motivated to meet and exceed customer expectations. Our customer support team won our Team of the Year award, which was voted for by employees. While digitisation of communications is a focus, in response to customer preferences the Company provides customers with a variety of means to communicate, including telephone, email and via the customerzone portal. We have even completed a project with one customer to enable the customer to access customerzone via their intranet to increase accessibility to data, save time, improve reporting and facilitate notification of service issues.

Customer retention remains high in challenging times as skilled account managers proactively deliver value, compliance and high levels of service. There has also been a focus on marketing through a variety of digital and traditional channels. We have increased the headcount in sales and marketing and engaged a digital agency with resulting increased sales activities from own-campaigns and tender portals. Further we have introduced brand guidelines and increased brand awareness activities, including advertorials.

Sustainability and corporate social responsibility practices

Although we are not in scope of the Modern Slavery Act 2015, we are alive to the fact that the waste sector is an area of risk, as it is highly competitive with pressure on prices. The industry employs workers who are vulnerable and lower-skilled and who are at greater risk of human trafficking. Accordingly, we are committed to eliminating modern slavery in our supply chain and are an active member of the Waste and Recycling Group of the Slave Free Alliance. We were proud to speak at the SFA Seminar in September 2022 to explain our challenges of being an SME in this context.

We continue to focus on and improve our corporate social responsibility practices including:

- (1) supporting students with work experience;
- (2) fundraising activities in support of community projects and charities;
- (3) supporting the Stop Hunger Charity; and
- (4) continuing to plant trees via TreeNation.

As part of our continuing efforts to be and provide sustainable services we will subscribe to EcoVadis in the year ending 31 March 2024. EcoVadis support companies to assess, measure and evidence sustainability practices and those of their suppliers. Membership will provide valuable insights into sustainability performance and identify areas for improvement while demonstrating commitment to responsible business practices.

Technology

The Company regards digitalisation as a tool for growth and continues to invest in its in-house IT team and technology to support all aspects of the business. The focus of this investment is to add value to our customers and improve efficiency for our employees and partners.

We continue to enhance the functionality of our bespoke platform as we migrate it to the cloud. To support our customers' needs, we have further improved our customerzone portal with additional useful data and reporting capability.

The Company continues to develop the digital skills of its employees and is delivering solutions to improve productivity, including the use of AI to reduce manual data entry, automation of regular reporting and improvements to our bespoke site audit app.

Greenzone Facilities Management Limited

Strategic Report for the Year Ended 31 March 2023

Supply Chain

The Company has developed supply chain resilience through structure, relationships, diversity, and contingency planning. As in other areas, the Company has invested in upskilling the supply chain team and recruiting skilled talent.

It continues to work with national suppliers but there has been a focus on developing and maintaining a network of flexible, innovative local suppliers and to work with them to deliver great value solutions to customers. There has been more of a partnership approach in the bidding process which increases the opportunity to access higher value and longer-term contracts. Whilst the supply chain has been impacted by record fuel prices and labour shortages/wage inflation this partnership approach aims to manage these impacts and minimise the cost that is passed through to customers.

Greenzone Facilities Management Limited

Strategic Report for the Year Ended 31 March 2023

Principal risks and uncertainties

Regulation

Waste and resource management is highly regulated, and the industry faces inherent risks associated with regulatory change, e.g. increased compliance costs, uncertainty, shifts in the competitive landscape and changes in waste management practices. As an example, during the year we saw the Environment Agency issue a regulatory position paper (RPS 265 published 19.12.2022) in relation to temporary storage of waste upholstered domestic seating containing persistent organic pollutants which impacted the methodology and cost of managing that waste type. To mitigate the risks associated with regulatory change we stay informed about proposed and upcoming regulations and engage in advocacy efforts by participating in industry associations or consultations. The industry still awaits the impact of the Deposit Return Scheme, Extended Producer Responsibility, Food Waste Reporting and ban on single use plastics. We also maintain flexibility in our supply chain and seek out competitive and compliant innovation. As a broker, we also mitigate the risk by our ability to switch suppliers.

Customer Risk

Diversity in its customer portfolio means the business is not materially exposed to any customer sector.

Supply Chain

Effective supply chain management and strong supplier relationships are key to our growth and success. The Company employs a supply chain management team to ensure that it works with like-minded suppliers, i.e., who aim to deliver exceptional levels of compliant services to ensure that waste is destined to be re-used or reprocessed into new materials and products. To support our continuing growth, we are restructuring supply chain for equal focus on successful bidding and strategic supply chain management. We are actively participating in Modern Slavery forums to eradicate modern slavery in the supply chain, and we are moving toward a bespoke supply chain management platform to enable supply chain optimization which will be accessible across the supply chain.

Inflation

UK inflation has risen significantly and remains at an elevated level, putting pressure on the supply chain and cost base. Fuel and energy costs remain high and there is upward pressure on wages due to driver shortages and a tight labour market. The Company has sought to minimise the impacts of these cost increases by agreeing forward pricing with customers and suppliers. This minimises the impact for us and our customers and provides certainty for us, our customers, and suppliers.

Competition

The waste industry is very competitive, however as a broker the Company believes it is well placed to compete due to our competitive pricing and high-quality, flexible service offering. In addition to maintaining its existing accreditations (including ISO:14001 and ISO:9001), the Company has invested in securing ISO:27001 (information security management) and ISO:45001 (health and safety management) to continue to assure customers of its credibility and quality service delivery.

Greenzone Facilities Management Limited

Strategic Report for the Year Ended 31 March 2023

Employees

The growth and success of the business depends on having sufficient trained, skilled, qualified, and motivated employees. The average headcount for the financial year was 73 and turnover was 29%. Challenges in employment are:

Recruitment & Retention - The UK labour market continues to be very challenging. The Company utilises all recruitment platforms, works with reputable agencies and has invested in in-house resource to support the attraction and recruitment of quality people. The Company benchmarks salaries and continually reviews and updates employee benefits to ensure that it remains competitive.

Cost of Living - Inflation not only affects our supply chain. We also recognise the impact it has on our employees. To help support our team, the Company has become an accredited Living Wage employer and operates a staff bonus scheme to ensure that all employees share in the Company's success.

Health & Wellbeing - The Company offers subsidised gym memberships to all employees as part of its benefits package. To effectively deal with any mental health issues and distress, the Company has a trained Mental Health First Aider and continues to make reasonable adjustments as necessary.

Greenzone Facilities Management Limited

Strategic Report for the Year Ended 31 March 2023

Future Developments

The Company has a clear strategy for growth:

- **Market share** - grow market share by prioritising sales, marketing and account management;
- **Customer Service** - continue to focus on exceptional levels of customer service including by restructuring the Customer Support teams by customer sector. This enables customer support to be scalable for growth, encourages more collaboration with the customer sector account management team, improves the customer experience and service, and provides job satisfaction and personal growth for employees;
- **Services** - continue our transition from a predominantly general/DMR service to designing bespoke resource management solutions to ensure that more waste is destined for re-use and recycling. To continually improve our value proposition as customer needs change;
- **Compliance** - always to be a safe pair of hands that our customers can rely on - responding to and, where possible, anticipating changes in the regulatory environment and attitudes to waste;
- **People**
 - develop and train its people via a variety of training methods and provide company funded external training where appropriate
 - have a genuine and strong company culture based on shared values
 - promote diversity and inclusion - waste is traditionally a male dominated industry but our workforce (as at May 2023) comprises 67% females and 33% males with 75% working full time and 25% working part time
 - develop an appraisal system and a structure which supports personal development and career progression;
- **Supply Chain** - maintain a wide portfolio of regional, national and niche suppliers to provide competitive and flexible services. To provide regional suppliers with access to large customers by collaborating and supporting with compliance and CSR/ESG initiatives. Continually developing supplier relationships, offering fair terms, and paying suppliers amounts due on time. Embracing IT solutions to improve all supplier interfaces;
- **Innovation** - embrace innovative techniques and thinking in service delivery - we were delighted to be recognised by Futurology as one of the most innovative waste management companies in the region. We are also participating in customer-led working parties to find innovative solutions for customer waste problems;
- **Technology** - continue to invest in its industry leading in-house bespoke software to improve efficiencies in performance and service delivery and continue to develop and deliver new innovative advancements in its software to further improve communication, customer service levels and to produce real-time, relevant, and timely management information. We are migrating to the cloud to ensure we have a modern, flexible, and scalable platform. This will enable us to continue to innovate whilst improving information security, connectivity, user-experience and facilitating secure remote working;
- **CSR** - maintain and improve its CSR practices and achieve its philanthropic aims - the Company is proud to, amongst other things, participate in TreeNation to offset carbon for itself and its customers and to be a member of the Slave Free Alliance to manage the threat of modern slavery within its operations and supply chain; and

Greenzone Facilities Management Limited

Strategic Report for the Year Ended 31 March 2023

- ESG - implement ESG policies particularly relating to: [Environmental] GHG, energy efficiency, green services, carbon footprint and water use; [Social] data privacy, pay equity, health and safety, diversity, and inclusion; and [Governance] role of Chairman and CEO is separate, diversity and independence of the Board and shareholder communication.

Approved and authorised by the Board on 25 July 2023 and signed on its behalf by:



.....
Mr P A McConnell
Chairman

Greenzone Facilities Management Limited

Directors' Report for the Year Ended 31 March 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors of the Company

The directors who held office during the year were as follows:

Mr P A McConnell - Chairman

Mrs L H Taggart - Company secretary and director

Mr D Miller

Financial instruments

Objectives and policies

The directors have implemented procedures to minimise risks wherever possible.

Price risk, credit risk, liquidity risk and cash flow risk

The directors feel that the exposure to price risk is minimal due to regular price reviews being conducted and prices already being agreed with major customers.

Exposure to credit risk is minimised through either credit checks and ongoing credit monitoring or the use of advance payment arrangements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

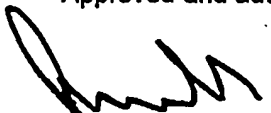
Reappointment of auditors

The auditors Page Kirk LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

The address of its registered office is:

The Corner House
Brunel Drive
Newark
Nottinghamshire
NG24 2EG

Approved and authorised by the Board on 25 July 2023 and signed on its behalf by:


.....
Mr P A McConnell
Chairman

Greenzone Facilities Management Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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. Under that law 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 adequate accounting records that are sufficient to show and explain the Company's transactions and 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.

Greenzone Facilities Management Limited

Independent Auditor's Report to the Members of Greenzone Facilities Management Limited

Opinion

We have audited the financial statements of Greenzone Facilities Management Limited (the 'Company') for the year ended 31 March 2023, which comprise the Profit and Loss Account, Balance Sheet, 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).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 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.

Greenzone Facilities Management Limited

Independent Auditor's Report to the Members of Greenzone Facilities Management Limited

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the 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 Statement of Directors' Responsibilities [set out on page 11], 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.

Greenzone Facilities Management Limited

Independent Auditor's Report to the Members of Greenzone Facilities Management Limited

Auditor 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, Taxation legislation, and Money Laundering.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management and the understatement of revenue. Our audit procedures to respond to these risks included:

- Enquiries of management about their own identification and assessment of the risks of irregularities.
- Sample testing on the posting of journals.
- Reviewing meeting minutes, regulatory correspondence and professional fees.
- Detailed substantive testing on the completeness of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Greenzone Facilities Management Limited

Independent Auditor's Report to the Members of Greenzone Facilities Management Limited

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.

.....
John Wallis FCA (Senior Statutory Auditor)
For and on behalf of Page Kirk LLP, Statutory Auditor

Sherwood House
7 Gregory Boulevard
Nottingham
NG7 6LB

25 July 2023

Greenzone Facilities Management Limited

Profit and Loss Account for the Year Ended 31 March 2023

	Note	2023 £	2022 £
Turnover	3	16,552,037	16,288,256
Cost of sales		<u>(11,667,574)</u>	<u>(11,501,889)</u>
Gross profit		4,884,463	4,786,367
Administrative expenses		(3,875,105)	(3,793,724)
Other operating income		<u>30,952</u>	<u>26,092</u>
Operating profit	4	1,040,310	1,018,735
Other interest receivable and similar income	5	985	-
Interest payable and similar expenses	6	<u>(117,207)</u>	<u>(104,483)</u>
		<u>(116,222)</u>	<u>(104,483)</u>
Profit before tax		924,088	914,252
Taxation	10	<u>(86,721)</u>	<u>(101,002)</u>
Profit for the financial year		<u><u>837,367</u></u>	<u><u>813,250</u></u>

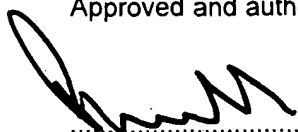
The notes on pages 19 to 34 form an integral part of these financial statements.

Greenzone Facilities Management Limited

(Registration number: 06334847)
Balance Sheet as at 31 March 2023

	Note	2023	2022
		£	£
Fixed assets			
Intangible assets	11	1,000,310	947,951
Tangible assets	12	65,299	111,823
Investments	13	14	14
		<u>1,065,623</u>	<u>1,059,788</u>
Current assets			
Debtors	14	5,304,697	4,966,948
Cash at bank and in hand	15	<u>2,027,702</u>	<u>1,654,483</u>
		7,332,399	6,621,431
Creditors: Amounts falling due within one year	16	<u>(4,341,116)</u>	<u>(4,443,773)</u>
Net current assets		<u>2,991,283</u>	<u>2,177,658</u>
Total assets less current liabilities		4,056,906	3,237,446
Provisions for liabilities	17	<u>(48,918)</u>	<u>(66,825)</u>
Net assets		<u>4,007,988</u>	<u>3,170,621</u>
Capital and reserves			
Called up share capital		233,162	233,162
Capital redemption reserve		20	20
Profit and loss account		<u>3,774,806</u>	<u>2,937,439</u>
Shareholders' funds		<u>4,007,988</u>	<u>3,170,621</u>

Approved and authorised by the Board on 25 July 2023 and signed on its behalf by:



Mr P A McConnell
Chairman



Mr D Miller
Managing director

Greenzone Facilities Management Limited

Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2022	233,162	20	2,937,439	3,170,621
Profit for the year	-	-	837,367	837,367
At 31 March 2023	<u>233,162</u>	<u>20</u>	<u>3,774,806</u>	<u>4,007,988</u>
	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 April 2021	233,162	20	2,124,189	2,357,371
Profit for the year	-	-	813,250	813,250
At 31 March 2022	<u>233,162</u>	<u>20</u>	<u>2,937,439</u>	<u>3,170,621</u>

The notes on pages 19 to 34 form an integral part of these financial statements.

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

The Company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

The Corner House
Brunel Drive
Newark
Nottinghamshire
NG24 2EG

These financial statements were authorised for issue by the Board on 25 July 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£) which is the functional currency of the company.

Summary of disclosure exemptions

The entity has taken advantage of the following disclosure exemptions:

Preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows included in the Group Financial Statements includes the company's cashflow.

Disclosing the compensation of key management personnel as permitted by FRS 102 section 33.7A.

Disclosing financial instruments as required under FRS 102 section 11.29 to 11.48A and section 12.26 and 12.29 as this information is provided in the notes to the Consolidated Financial Statements.

Disclosing transactions with related parties that are members of the same group as permitted by FRS 102 section 33.1A.

The consolidated financial statements of Greenzone Software Developments Limited may be obtained from the Companies House. The address of Greenzone Software Developments Limited is The Corner House, Brunel Drive, Newark, NG24 2EG.

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Judgements

Preparation of the financial statements requires management to make significant 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 their estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision affects only that financial year, or in the financial year of the revision and future financial years if the revision affects both current and future periods. No critical judgements have been identified by the directors that have been 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.

Key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. Due to the nature of the business the directors have made reasonable estimates relating to services not invoiced by our suppliers.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year and adjusted for accrued income not invoiced at the year end, exclusive of Value Added Tax.

Government grants

Government grants are accounted for using the accrual model.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold property	Straight line over the period of the lease
Office equipment	25% straight line
Fixtures and fittings	25% straight line
Motor vehicles	33% straight line

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the Group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Intangible assets that are recognised by the company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Software development costs are recognised as an intangible asset when the following criteria is met:

- (a) The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- (b) Its intention to complete the intangible asset and use or sell it.
- (c) Its ability to use or sell the intangible asset.
- (d) How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset.
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software development costs	10% straight line
Website	33% straight line

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Investments

Investments in equity shares, which are not publicly traded, are measured at cost less impairment unless fair value can be measured reliably.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2023 £	2022 £
Sale of goods and services	<u>16,552,037</u>	<u>16,288,256</u>

The analysis of the company's turnover for the year by market is as follows:

	2023 £	2022 £
UK	<u>16,552,037</u>	<u>16,288,256</u>

4 Operating profit

Arrived at after charging/(crediting)

	2023 £	2022 £
Depreciation expense	67,560	94,848
Amortisation expense	178,256	165,467
Loss on disposal of property, plant and equipment	<u>1,864</u>	<u>206</u>

5 Other interest receivable and similar income

	2023 £	2022 £
Other finance income	<u>985</u>	<u>-</u>

6 Interest payable and similar expenses

	2023 £	2022 £
Interest on bank overdrafts and borrowings	301	1,086
Interest expense on other finance liabilities	<u>116,906</u>	<u>103,397</u>
	<u>117,207</u>	<u>104,483</u>

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2023 £	2022 £
Wages and salaries	2,502,375	2,513,666
Social security costs	240,763	247,251
Pension costs, defined contribution scheme	96,732	40,594
Other employee expense	3,483	1,742
	<u>2,843,353</u>	<u>2,803,253</u>

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2023 No.	2022 No.
Administration and support	70	69
Other departments	3	3
	<u>73</u>	<u>72</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	2023 £	2022 £
Remuneration	677,150	761,245
Contributions paid to money purchase schemes	4,403	5,007
	<u>681,553</u>	<u>766,252</u>

In respect of the highest paid director:

	2023 £	2022 £
Remuneration	<u>275,100</u>	<u>295,400</u>

9 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>10,000</u>	<u>9,300</u>

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

10 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
Current taxation		
UK corporation tax	116,340	166,785
UK corporation tax adjustment to prior periods	<u>(11,712)</u>	<u>(38,623)</u>
	104,628	128,162
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(17,907)</u>	<u>(27,160)</u>
Tax expense in the income statement	<u>86,721</u>	<u>101,002</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2022 - the same as the standard rate of corporation tax in the UK) of 19% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>924,088</u>	<u>914,252</u>
Corporation tax at standard rate	175,577	173,708
Effect of expense not deductible in determining taxable profit (tax loss)	(46,954)	(1,079)
Deferred tax expense (credit) relating to changes in tax rates or laws	(17,907)	(27,161)
Increase (decrease) from effect of tax incentives	(34,616)	(33,851)
Increase (decrease) in UK and foreign current tax from adjustment for prior periods	(11,712)	(38,623)
Tax increase (decrease) from effect of capital allowances and depreciation	<u>22,333</u>	<u>28,008</u>
Total tax charge	<u>86,721</u>	<u>101,002</u>

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Deferred tax

Deferred tax assets and liabilities

2023

Accelerated Capital Allowances

Liability
£

48,918

48,918

2022

Accelerated Capital Allowances

Liability
£

66,825

66,825

11 Intangible assets

	Internally generated software development costs £	Website £	Total £
Cost or valuation			
At 1 April 2022	1,937,864	5,970	1,943,834
Additions internally developed	230,615	-	230,615
At 31 March 2023	2,168,479	5,970	2,174,449
Amortisation			
At 1 April 2022	995,428	455	995,883
Amortisation charge	176,266	1,990	178,256
At 31 March 2023	1,171,694	2,445	1,174,139
Carrying amount			
At 31 March 2023	996,785	3,525	1,000,310
At 31 March 2022	942,436	5,515	947,951

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

12 Tangible assets

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 April 2022	330,628	264,206	64,443	279,068	938,345
Additions	-	1,764	-	21,136	22,900
Disposals	-	-	-	(21,773)	(21,773)
At 31 March 2023	330,628	265,970	64,443	278,431	939,472
Depreciation					
At 1 April 2022	330,628	219,316	64,443	212,135	826,522
Charge for the year	-	22,659	-	44,901	67,560
Eliminated on disposal	-	-	-	(19,909)	(19,909)
At 31 March 2023	330,628	241,975	64,443	237,127	874,173
Carrying amount					
At 31 March 2023	-	23,995	-	41,304	65,299
At 31 March 2022	-	44,890	-	66,933	111,823

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

13 Investments

	2023 £	2022 £
Investments in subsidiaries	14	14
Subsidiaries		£
Cost or valuation		
At 1 April 2022		14
Provision		
Carrying amount		
At 31 March 2023		14
At 31 March 2022		14

Details of undertakings

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

Undertaking	Holding	Proportion of voting rights and shares held	
		2023	2022
Subsidiary undertakings			
Greenzone Utilities Limited	Ordinary shares	100%	100%
Greenzone Recycling Limited	Ordinary shares	100%	100%
Greenzone Food Recycling Limited	Ordinary shares	100%	100%
Greenzone Energy Limited	Ordinary shares	100%	100%
Greenzone Water Management Limited	Ordinary shares	100%	100%
Greenzone Waste Management Limited	Ordinary shares	100%	100%
Greenzone Telecommunications Limited	Ordinary shares	100%	100%

The registered office address of all other subsidiary undertakings above is The Corner House, Brunel Drive, Newark, Nottinghamshire, NG24 2EG.

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

14 Debtors

Current	Note	2023 £	2022 £
Trade debtors		2,609,114	2,703,878
Amounts owed by group undertakings		2,533,944	2,102,420
Amounts owed by related parties	21	43,910	28,608
Other debtors		27,629	27,629
Prepayments		<u>90,100</u>	<u>104,413</u>
		<u>5,304,697</u>	<u>4,966,948</u>

15 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	1,844	2,066
Cash at bank	<u>2,025,858</u>	<u>1,652,417</u>
	<u>2,027,702</u>	<u>1,654,483</u>

16 Creditors

	Note	2023 £	2022 £
Due within one year			
Trade creditors		2,966,034	2,662,049
Amounts due to group undertakings		14	14
Amounts due to related parties	21	1,566	-
Social security and other taxes		213,920	221,869
Outstanding defined contribution pension costs		8,355	8,210
Other creditors		13,546	8,275
Accrued expenses		1,021,341	1,376,571
Corporation tax liability	10	<u>116,340</u>	<u>166,785</u>
		<u>4,341,116</u>	<u>4,443,773</u>

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

17 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 April 2022	66,825	66,825
Increase (decrease) in existing provisions	<u>(17,907)</u>	<u>(17,907)</u>
At 31 March 2023	<u>48,918</u>	<u>48,918</u>

18 Pension and other schemes

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Company to the scheme and amounted to £96,732 (2022 - £40,594).

Contributions totalling £8,355 (2022 - £8,210) were payable to the scheme at the end of the year and are included in creditors.

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

19 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	162	162	162	162
Preference shares of £1 each	233,000	233,000	233,000	233,000
	<u>233,162</u>	<u>233,162</u>	<u>233,162</u>	<u>233,162</u>

Rights, preferences and restrictions

Year ended 31 March 2023

The ordinary shares have the following rights, preferences and restrictions at the year end:

The right to vote, receive a dividend at the discretion of the directors and the right on a "Relevant Sale", "Relevant Asset Sale Listing" or otherwise (all as defined in the Articles of Association), return of capital on a liquidation or capital reduction or otherwise to the assets of the Company remaining after the payment of its liabilities and payment to the Preference Shares equal to the par value of any Preference Shares outstanding all as more particularly set out in the Articles of Association.

All Preference Shares do not carry a right to vote but carry a right to a fixed rate dividend on an annual, cumulative basis, of £0.01 per share and had a first right on a return of capital on a liquidation, or capital reduction, or "Relevant Sale" or "Relevant Asset Sale Listing" or otherwise (all as defined in the Articles of Association) to the assets of the Company remaining after the payment of its liabilities. Waivers have been received in respect of all Preference Share dividends during the year.

Year ended 31 March 2022

The ordinary shares have the following rights, preferences and restrictions at the year end:

The right to vote, receive a dividend at the discretion of the directors and the right on a "Relevant Sale", "Relevant Asset Sale Listing" or otherwise (all as defined in the Articles of Association), return of capital on a liquidation or capital reduction or otherwise to the assets of the Company remaining after the payment of its liabilities and payment to the Preference Shares equal to the par value of any Preference Shares outstanding all as more particularly set out in the Articles of Association.

All Preference Shares do not carry a right to vote but carry a right to a fixed rate dividend on an annual, cumulative basis, of £0.01 per share and had a first right on a return of capital on a liquidation, or capital reduction, or "Relevant Sale" or "Relevant Asset Sale Listing" or otherwise (all as defined in the Articles of Association) to the assets of the Company remaining after the payment of its liabilities. Waivers have been received in respect of all Preference Share dividends during the year.

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

20 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023 £	2022 £
Not later than one year	38,269	9,224
Later than one year and not later than five years	56,409	4,111
	<u>94,678</u>	<u>13,335</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £40,588 (2022 - £31,193).

The following are outstanding:

Two charges with Clydesdale Bank PLC (trading as Virgin Money) created 20 September 2021 containing a fixed charge and a negative pledge.

A fixed and floating charge with Clydesdale Bank PLC (trading as Virgin Money) created on 22 March 2021 containing a negative pledge. The floating charge covers all the property in the company.

A fixed and floating charge with Clydesdale Bank PLC (trading as Virgin Money) created on 17 March 2021 containing a negative pledge. The floating charge covers all the property in the company.

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

21 Related party transactions

Summary of transactions with other related parties

Other related parties consist of companies that are under common control.

Income and receivables from related parties

	Other related parties £
2023	
Receipt of services	54,281
Amounts receivable from related party	<u>18,547</u>

	Other related parties £
2022	
Receipt of services	14,486
Amounts receivable from related party	<u>59,949</u>

Expenditure with and payables to related parties

	Other related parties £
2023	
Rendering of services	28,294
Leases	67,800
	<u>96,094</u>
Amounts payable to related party	<u>1,566</u>

	Other related parties £
2022	
Rendering of services	25,762
Leases	20,000
	<u>45,762</u>

Greenzone Facilities Management Limited

Notes to the Financial Statements for the Year Ended 31 March 2023

Loans to related parties

	Key management £	Total £
2023		
At start of period	24,377	24,377
Interest transactions	985	985
At end of period	<u>25,362</u>	<u>25,362</u>
	Key management £	Total £
2022		
At start of period	24,377	24,377
At end of period	<u>24,377</u>	<u>24,377</u>

Terms of loans to related parties

The loans to the directors are included in amounts due from related parties in less than one year. The amount is repayable on demand and has interest charged at HMRC's official rate.

22 Parent and ultimate parent undertaking

Greenzone Software Development Limited is the ultimate parent undertaking. Greenzone Software Development Limited's registered office address is The Corner House, Brunel Drive, Newark, Nottinghamshire, NG24 2EG. The controlling parties for Greenzone Software Development Limited are Mr P A McConnell and Mr D Miller.