Company Registration No. 06632263 (England and Wales)

Great Green Systems Limited

Unaudited Financial Statements

For The Period Ended 31 August 2017

GREAT GREEN SYSTEMS LIMITED

COMPANY INFORMATION

Director	Mr M J Halford	(Appointed 5 September 2016)
Company number	06632263	
Registered office	33 Park Place Leeds LS1 2RY	
Accountants	Garbutt & Elliott LLP 33 Park Place Leeds LS1 2RY	

GREAT GREEN SYSTEMS LIMITED

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GREAT GREEN SYSTEMS LIMITED

BALANCE SHEET
AS AT 31 AUGUST 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	4		141,752		167,864
Tangible assets	5		21,832		22,513
Current assets					
Stocks		36,200		57,613	
Debtors	6	54,394		79,903	
Cash at bank and in hand		5,100		27,853	
		95,694		165,369	
Creditors: amounts falling due within one year	7	(406,337)		(796,367)	
Net current liabilities			(310,643)		(630,998)
Total assets less current liabilities			(147,059)		(440,621)
Capital and reserves					
Called up share capital	8		10,001		10,000
Share premium account			253,511		-
Profit and loss reserves			(410,571)		(450,621)
Total equity			(147,059)		(440,621)

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 28 May 2018 and are signed on its behalf by:

Mr M J Halford
Director

Company Registration No. 06632263

1 Accounting policies

Company information

Great Green Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is 33 Park Place, Leeds, LS1 2RY.

1.1 Accounting convention

These financial statements have been prepared in accordance with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the period ended 31 August 2017 are the first financial statements of Great Green Systems Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 9.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

At the balance sheet date the company had net liabilities of £147,059 (2016 - £440,621). The accounts have been prepared on the going concern basis as the directors will continue to support the company for the foreseeable future.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for recycling waste services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1 Accounting policies **(Continued)**

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	Based on 1,000,000 units of production
Fixtures and fittings	33% Straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

1 Accounting policies **(Continued)**

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
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.

Basic financial liabilities
Basic financial liabilities, including creditors, loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments
Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Leases
Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1 Accounting policies **(Continued)**

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Exceptional costs/(income)

	2017	2016
	£	£
Exceptional item - Loan written off	(79,196)	-

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was 2 (2016 - 3).

4 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 July 2016 and 31 August 2017	223,819
Amortisation and impairment	
At 1 July 2016	55,955
Amortisation charged for the period	26,112
At 31 August 2017	82,067
Carrying amount	
At 31 August 2017	141,752
At 30 June 2016	167,864

GREAT GREEN SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE PERIOD ENDED 31 AUGUST 2017

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 July 2016 and 31 August 2017	31,054
Depreciation and impairment	
At 1 July 2016	8,541
Depreciation charged in the period	681
At 31 August 2017	9,222
Carrying amount	
At 31 August 2017	21,832
At 30 June 2016	22,513

6 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	54,394	55,903
Other debtors	-	24,000
	54,394	79,903

7 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	56,879	62,780
Other taxation and social security	(790)	(1,124)
Other creditors	350,248	734,711
	406,337	796,367

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
10,001 Ordinary class 1 of £1 each	10,001	10,000
	10,001	10,000

During the period, the company issued 1 Ordinary share (2016 - nil) of £1, at par.

9 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 July 2015 £	30 June 2016 £
Equity as reported under previous UK GAAP		(518,040)	(429,430)
Adjustments arising from transition to FRS 102:			
Goodwill	1	-	(11,191)
Equity reported under FRS 102		(518,040)	(440,621)

Reconciliation of profit for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		88,610
Adjustments arising from transition to FRS 102:		
Goodwill	1	(11,191)
Profit reported under FRS 102		77,419

Notes to reconciliations on adoption of FRS 102

Amortisation of Goodwill
FRS 102 states that if no reliable estimate can be made of the useful economic lives of intangible assets then the lifetime should not exceed 10 years. Goodwill has therefore been restated to be written off over 10 years from the date of acquisition, resulting in transition adjustments.