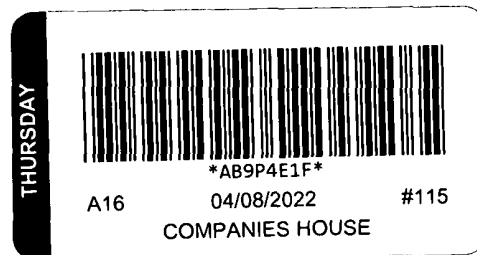


Registration number: 13000002

# Greenzone Software Development Limited

Annual Report and Consolidated Financial Statements

for the Period from 5 November 2020 to 31 March 2022



Page Kirk LLP  
Sherwood House  
7 Gregory Boulevard  
Nottingham  
Nottinghamshire  
NG7 6LB

# **Greenzone Software Development Limited**

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# **Greenzone Software Development Limited**

## **Company Information**

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<b>Directors</b>	Mr P A McConnell Mr D Miller
<b>Registered office</b>	The Corner House Brunel Drive Newmark Nottinghamshire NG24 2EG
<b>Auditors</b>	Page Kirk LLP Sherwood House 7 Gregory Boulevard Nottingham Nottinghamshire NG7 6LB

## **Greenzone Software Development Limited**

### **Strategic Report for the period from 5 November 2020 to 31 March 2022**

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The directors present their strategic report for the period from 5 November 2020 to 31 March 2022.

#### **Principal activity**

The principal activity of the group is that of business and software development.

#### **Results**

The group has made a profit before tax of £120k for the period ended 31 March 2022.

Turnover was £17,433k. As the UK gradually emerged from the COVID-19 pandemic, the group added new customers to its portfolio, in addition to seeing growth in its existing customer base. Cost of sales was £12,219k with the group aiming to continue to improve its supply chain efficiencies to offset the effect of global inflationary pressures including fuel costs and driver shortages.

The group will continue to manage its expense levels whilst investing in its talented workforce and in its industry leading software. Operating profit was £227k.

The Consolidated Profit & Loss Account for the period, reflects the Group's strong trading performance offset by the amortisation of goodwill (£878,544) relating to the acquisition of Greenzone Facilities Management Limited.

#### **Fair review of the business**

The COVID-19 pandemic continued to impact on the group during the early part of the financial year. Whilst the prior financial year saw our customers significantly disrupted by the lockdowns and other restrictions put in place, this year saw restrictions gradually lifted.

As the country adapted to live with COVID-19, our team worked closely with our customers to support their transition to a more normal environment. In addition to growing sales with our existing customers, this normalisation opened opportunities for us to compete for, and win, new business.

We continued to build our network of flexible, innovative local suppliers and worked with them to deliver great value solutions to our customers. Whilst this enabled us to deliver efficiencies, the business was not immune to the inflationary pressures impacting on the global economy in the second half of the financial year. Increased fuel prices and labour shortages/wage inflation have impacted suppliers in the waste industry. We continue to work with our supply chain to manage these impacts and minimise the cost that is passed through to our customers.

During the year, we strengthened our team with key appointments in commercial, marketing, finance and compliance and are seeing these investments bearing fruit. Once again, we would like to thank all our employees for their hard work and commitment to supporting our customers and building our business. We were delighted this has also been recognised externally, with Greenzone being named 'Business of the Year' at the recent Newark Business Awards.

## Greenzone Software Development Limited

### Strategic Report for the period from 5 November 2020 to 31 March 2022

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#### Principal risks and uncertainties

##### Regulation

Waste and resource management is highly regulated. While the pandemic saw some policy down-time, we now see consultation on digital waste tracking, extended producer responsibility, and a waste carrier, broker, and dealer registration system. Adapting processes and services has its challenges but also presents opportunities especially as the Company has repositioned to a corporate market where customers strive for zero waste and net zero. This risk is managed by continuing investment in compliance capabilities, maintaining legal and industry knowledge and by monitoring the regulatory landscape and adapting accordingly. As a broker, the Company is better placed to adapt services to regulatory changes by changing supplier. The Company is working with its customers to turn waste into a resource and to use the local circular economy infrastructure to reduce waste-miles and waste exports.

##### 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 is expected to remain at elevated levels during the current financial year. This puts pressure on the supply chain and cost base. The impacts include record fuel costs and upward pressure on wages due to driver shortages. 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 in what are unprecedented times of uncertainty.

##### Competition

The waste industry is very competitive, however as a broker the Company believes it is well placed to compete with a flexible service offering. Further, the Company maintains its accreditations (including ISO:14001 and ISO:9001) and will invest in securing further accreditations (initially, ISO:27001 information security management, and ISO:45001 health and safety management) to assure and reassure customers of its credibility, as it prioritises quality in its service delivery.

## **Greenzone Software Development Limited**

### **Strategic Report for the period from 5 November 2020 to 31 March 2022**

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#### **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 71 and turnover was 29%. Challenges in employment are:

Employee value proposition - The Company continually reviews and updates employee benefits to ensure it can recruit and retain quality employees.

Recruitment – As the number of job vacancies rise and the impact of COVID-19 on working life, recruitment is challenging. The Company utilises all recruitment platforms, works with reputable agencies and reviews salaries, working practices and benefits to remain competitive and attract quality people.

Mental health - 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 required.

Hybrid working - In June 2022 ACAS reported that 60% of employers surveyed have seen hybrid working increase following the COVID-19 pandemic. The Company recognises the importance of balance and flexibility for employees, but this must be balanced with the business need for more collaborative relationships to drive excellence and innovation in service delivery and the importance of in-person connection to create a strong culture. While the Company does not see significant and long-term remote working as being compatible with the long-term success of the business, it is adopting hybrid working in a measured way which is compatible with employee and employer needs. The company will continue to communicate with its employees to ensure that it delivers on its business strategy whilst remaining a great place to work.

## Greenzone Software Development Limited

### Strategic Report for the period from 5 November 2020 to 31 March 2022

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#### 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 2022) comprises 71% females and 29% males with 77% working full time and 23% 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 join the Slave Free Alliance to manage the threat of modern slavery within its operations and supply chain; and

## **Greenzone Software Development Limited**

### **Strategic Report for the period from 5 November 2020 to 31 March 2022**

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- **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 19 July 2022 and signed on its behalf by:



.....  
Mr P A McConnell  
Director



## **Greenzone Software Development Limited**

### **Directors' Report for the Period from 5 November 2020 to 31 March 2022**

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The directors present their report for the period from 5 November 2020 to 31 March 2022.

#### **Incorporation**

The company was incorporated on 5 November 2020.

#### **Directors of the group**

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

Mr P A McConnell (appointed 5 November 2020)

Mr D Miller (appointed 5 November 2020)

#### **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 auditor**

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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is 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  
Newmark  
Nottinghamshire  
NG24 2EG

Approved and authorised by the Board on 19 July 2022 and signed on its behalf by:



.....  
Mr P A McConnell  
Director

## **Greenzone Software Development Limited**

### **Statement of Directors' Responsibilities**

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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 group and the company and of the profit or loss of the group 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 UK 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Greenzone Software Development Limited**

### **Independent Auditor's Report to the Members of Greenzone Software Development Limited**

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#### **Opinion**

We have audited the financial statements of Greenzone Software Development Limited (the 'parent company') and its subsidiaries (the 'group') for the period from 5 November 2020 to 31 March 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, 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 group's and of the parent company's affairs as at 31 March 2022 and of the group's profit for the period 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 group 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 group and parent 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 Software Development Limited**

### **Independent Auditor's Report to the Members of Greenzone Software Development Limited**

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#### **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 the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 group and parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 8], 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 group and parent 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 Software Development Limited**

### **Independent Auditor's Report to the Members of Greenzone Software Development Limited**

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#### **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, COVID - furlough income 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Greenzone Software Development Limited**

### **Independent Auditor's Report to the Members of Greenzone Software Development Limited**

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#### **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  
Nottinghamshire  
NG7 6LB

19 July 2022

# Greenzone Software Development Limited

## Consolidated Profit and Loss Account for the Period from 5 November 2020 to 31 March 2022

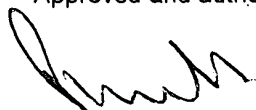
	Note	5 November 2020 - 31 March 2022 £
Turnover	3	17,433,228
Cost of sales		<u>(12,218,639)</u>
Gross profit		5,214,589
Administrative expenses		(5,089,455)
Other operating income		<u>102,330</u>
Operating profit	4	227,464
Interest payable and similar expenses	5	<u>(107,272)</u>
Profit before tax		120,192
Tax on profit	9	<u>(101,002)</u>
Profit for the financial period		<u>19,190</u>
<b>Profit/(loss) attributable to:</b>		
Owners of the company		<u>19,190</u>

Non-controlling interest is £nil as the minority interest relates to preference shares that have no right to profit or loss in the subsidiary.

**Greenzone Software Development Limited**  
**(Registration number: 13000002)**  
**Consolidated Balance Sheet as at 31 March 2022**

		2022	
	Note	£	£
<b>Fixed assets</b>			
Intangible assets	10		8,179,044
Tangible assets	11		111,823
Investments	12		<u>14</u>
			8,290,881
<b>Current assets</b>			
Debtors	13	2,970,246	
Cash at bank and in hand		<u>1,674,503</u>	
		4,644,749	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(4,943,773)</u>	
<b>Net current liabilities</b>			<u>(299,024)</u>
<b>Total assets less current liabilities</b>			7,991,857
<b>Creditors: Amounts falling due after more than one year</b>	15		(1,500,000)
<b>Provisions for liabilities</b>	16		<u>(66,825)</u>
<b>Net assets</b>			<u><u>6,425,032</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	100	
Share premium reserve		6,172,742	
Profit and loss account		<u>19,190</u>	
Equity attributable to owners of the company		6,192,032	
Minority interests		<u>233,000</u>	
<b>Total equity</b>			<u><u>6,425,032</u></u>

Approved and authorised by the Board on 19 July 2022 and signed on its behalf by:



.....  
Mr P A McConnell  
Director



**Greenzone Software Development Limited**

**(Registration number: 13000002)  
Balance Sheet as at 31 March 2022**

	Note	2022	
		£	£
<b>Fixed assets</b>			
Investments	12		10,149,524
<b>Current assets</b>			
Debtors	13	50,000	
Cash at bank and in hand		<u>20,020</u>	
		70,020	
<b>Creditors: Amounts falling due within one year</b>	15	<u>(2,546,702)</u>	
<b>Net current liabilities</b>			<u>(2,476,682)</u>
<b>Total assets less current liabilities</b>			7,672,842
<b>Creditors: Amounts falling due after more than one year</b>	15		<u>(1,500,000)</u>
<b>Net assets</b>			<u>6,172,842</u>
<b>Capital and reserves</b>			
Called up share capital	18	100	
Share premium reserve		<u>6,172,742</u>	
<b>Total equity</b>			<u>6,172,842</u>

The company made a profit after tax for the financial period of £-.

Approved and authorised by the Board on 19 July 2022 and signed on its behalf by:



.....  
Mr P A McConnell  
Director

**Greenzone Software Development Limited**

**Consolidated Statement of Changes in Equity for the Period from 5 November 2020 to 31 March 2022**  
**Equity attributable to the parent company**

	Share capital £	Share premium £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
Profit for the period	-	-	19,190	19,190	-	19,190
New share capital subscribed	100	6,172,742	-	6,172,842	-	6,172,842
Other share capital movements	-	-	-	-	233,000	233,000
At 31 March 2022	<u>100</u>	<u>6,172,742</u>	<u>19,190</u>	<u>6,192,032</u>	<u>233,000</u>	<u>6,425,032</u>

**Greenzone Software Development Limited**

**Statement of Changes in Equity for the Period from 5 November 2020 to 31 March 2022**

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	<b>Share capital £</b>	<b>Share premium £</b>	<b>Total £</b>
New share capital subscribed	<u>100</u>	<u>6,172,742</u>	<u>6,172,842</u>
At 31 March 2022	<u>100</u>	<u>6,172,742</u>	<u>6,172,842</u>

## Greenzone Software Development Limited

### Consolidated Statement of Cash Flows for the Period from 5 November 2020 to 31 March 2022

	Note	2022 £
<b>Cash flows from operating activities</b>		
Profit for the period		19,190
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	4	1,161,206
Profit on disposal of tangible assets		(294)
Finance costs	5	107,272
Corporation tax expense	9	101,002
		<u>1,388,376</u>
Working capital adjustments net of acquisition of subsidiaries		
Decrease in trade debtors	13	684,847
Increase in trade creditors	15	474,585
		<u>2,547,808</u>
Cash generated from operations		2,547,808
Corporation taxes paid	9	(97,658)
Net cash flow from operating activities		<u>2,450,150</u>
<b>Cash flows from investing activities</b>		
Acquisitions of tangible assets		(20,029)
Proceeds from sale of tangible assets		500
Acquisition of intangible assets	10	(237,002)
Acquisition of subsidiaries (net of cash acquired)		(8,575,399)
Net cash flows from investing activities		<u>(8,831,930)</u>
<b>Cash flows from financing activities</b>		
Interest paid	5	(107,272)
Proceeds from issue of ordinary shares, net of issue costs		6,172,842
Proceeds from bank borrowing draw downs		2,000,000
Repayment of bank borrowing		(9,287)
Net cash flows from financing activities		<u>8,056,283</u>
Net increase in cash and cash equivalents		1,674,503
Cash and cash equivalents at 5 November		<u>-</u>
Cash and cash equivalents at 31 March		<u><u>1,674,503</u></u>

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

## **Greenzone Software Development Limited**

### **Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022**

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#### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Corner House  
Brunel Drive  
Newmark  
Nottinghamshire  
NG24 2EG

These financial statements were authorised for issue by the Board on 19 July 2022.

#### **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 have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland'.

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

##### **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.

##### **Summary of disclosure exemptions**

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Profit and Loss Account in these financial statements. The parent company's profit for the period was £nil.

## **Greenzone Software Development Limited**

### **Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022**

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#### **Basis of consolidation**

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2022.

Greenzone Software Development Limited  
Greenzone Facilities Management Limited

Immaterial and dormant subsidiaries have not been consolidated within the financial statements.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the group's activities.

#### **Government grants**

Government grants are accounted for using the accrual model.

## Greenzone Software Development Limited

### Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

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#### **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 group operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated 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 balance sheet 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.

#### **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:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold property	Straight line over the period of the lease
Office equipment	25% straight line
Furniture, fittings and equipment	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.

## **Greenzone Software Development Limited**

### **Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022**

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#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

#### **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:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	10% straight line
Software development	10% straight line
Website	33% straight line

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

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 group will not be able to collect all amounts due according to the original terms of the receivables.



## **Greenzone Software Development Limited**

### **Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022**

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#### **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 group 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.

#### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

#### **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**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest on the assets of the company after deducting all of its liabilities.

## Greenzone Software Development Limited

### Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

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#### 3 Turnover

The analysis of the group's Turnover for the period from continuing operations is as follows:

	<b>31 March 2022</b>
	£
Sale of goods and services	<u>17,433,228</u>

The analysis of the group's Turnover for the period by market is as follows:

	<b>31 March 2022</b>
	£
UK	<u>17,433,228</u>

#### 4 Operating profit

Arrived at after charging/(crediting)

	<b>31 March 2022</b>
	£
Depreciation expense	103,795
Amortisation expense	1,057,411
Profit on disposal of tangible fixed assets	<u>(294)</u>

#### 5 Interest payable and similar expenses

	<b>31 March 2022</b>
	£
Interest on bank overdrafts and borrowings	1,195
Interest expense on other finance liabilities	<u>106,077</u>
	<u>107,272</u>

#### 6 Staff costs

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

	<b>31 March 2022</b>
	£
Wages and salaries	2,767,416
Social security costs	274,473
Pension costs, defined contribution scheme	43,588
Other employee expense	<u>1,742</u>
	<u>3,087,219</u>

## **Greenzone Software Development Limited**

### **Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022**

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

	<b>31 March 2022 No.</b>
Administration and support	69
Other departments	<u>3</u>
	<u><u>72</u></u>

#### **7 Directors' remuneration**

The directors' remuneration for the period was as follows:

	<b>31 March 2022 £</b>
Remuneration	<u>515,683</u>

In respect of the highest paid director:

	<b>31 March 2022 £</b>
Remuneration	<u>311,683</u>

#### **Key management compensation**

	<b>31 March 2022 £</b>
Salaries and other short term employee benefits	<u>798,406</u>

#### **8 Auditors' remuneration**

	<b>31 March 2022 £</b>
Audit of these financial statements	<u>11,450</u>

## Greenzone Software Development Limited

### Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

#### 9 Taxation

Tax charged/(credited) in the consolidated profit and loss account

	31 March 2022 £
<b>Current taxation</b>	
UK corporation tax	166,785
UK corporation tax adjustment to prior periods	<u>(38,623)</u>
	128,162
<b>Deferred taxation</b>	
Arising from origination and reversal of timing differences	<u>(27,160)</u>
Tax expense in the income statement	<u><u>101,002</u></u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK of 19%.

The differences are reconciled below:

	31 March 2022 £
Profit before tax	<u>120,192</u>
Corporation tax at standard rate	22,836
Effect of expense not deductible in determining taxable profit (tax loss)	(1,079)
Deferred tax credit relating to changes in tax rates or laws	(27,160)
Decrease from effect of tax incentives	(33,851)
Decrease in UK and foreign current tax from adjustment for prior periods	(38,623)
Tax increase from effect of capital allowances and depreciation	199,177
Tax decrease from effect of adjustment for long accounting periods	<u>(20,298)</u>
Total tax charge	<u><u>101,002</u></u>

#### Deferred tax

##### Group

Deferred tax assets and liabilities

	Liability £
<b>31 March 2022</b>	
Accelerated capital allowances	<u><u>66,825</u></u>

# Greenzone Software Development Limited

## Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

### 10 Intangible assets

#### Group

	Goodwill £	Internally generated software development costs £	Other intangible assets £	Total £
<b>Cost or valuation</b>				
Acquired through business combinations	-	889,816	-	889,816
Additions internally developed	-	231,032	-	231,032
Additions acquired separately	8,109,637	-	5,970	8,115,607
At 31 March 2022	8,109,637	1,120,848	5,970	9,236,455
<b>Amortisation</b>				
Amortisation charge	878,544	178,412	455	1,057,411
At 31 March 2022	878,544	178,412	455	1,057,411
<b>Carrying amount</b>				
At 31 March 2022	7,231,093	942,436	5,515	8,179,044

**Greenzone Software Development Limited**

**Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022**

**11 Tangible assets**

**Group**

	Furniture, fittings and equipment £	Motor vehicles £	Office equipment £	Total £
<b>Cost or valuation</b>				
Acquired through business combinations	72,520	11,304	111,971	195,795
Additions	2,904	-	17,125	20,029
Disposals	(9,247)	-	(8,358)	(17,605)
At 31 March 2022	<u>66,177</u>	<u>11,304</u>	<u>120,738</u>	<u>198,219</u>
<b>Depreciation</b>				
Charge for the period	30,534	11,304	61,957	103,795
Eliminated on disposal	(9,247)	-	(8,152)	(17,399)
At 31 March 2022	<u>21,287</u>	<u>11,304</u>	<u>53,805</u>	<u>86,396</u>
<b>Carrying amount</b>				
At 31 March 2022	<u><u>44,890</u></u>	<u><u>-</u></u>	<u><u>66,933</u></u>	<u><u>111,823</u></u>

## Greenzone Software Development Limited

### Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

#### 12 Investments

##### Company

	31 March 2022 £
Investments in subsidiaries	<u>10,149,524</u>
<b>Shares in group undertakings and participating interests</b>	<b>£</b>
<b>Cost or valuation</b>	
Additions	<u>10,149,524</u>
<b>Provision</b>	
<b>Carrying amount</b>	
At 31 March 2022	<u><u>10,149,524</u></u>

##### 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 2022
<b>Subsidiary undertakings</b>		
Greenzone Facilities Management Limited	Ordinary shares	100%

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

#### 13 Debtors

		Group 31 March 2022 £	Company 31 March 2022 £
<b>Current</b>	<b>Note</b>		
Trade debtors		2,703,878	-
Amounts owed by related parties	22	59,949	-
Other debtors		52,006	-
Prepayments		<u>154,413</u>	<u>50,000</u>
		<u><u>2,970,246</u></u>	<u><u>50,000</u></u>

# Greenzone Software Development Limited

## Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

### 14 Cash and cash equivalents

	Group 31 March 2022 £	Company 31 March 2022 £
Cash on hand	2,066	-
Cash at bank	1,672,437	20,020
	<u>1,674,503</u>	<u>20,020</u>

### 15 Creditors

	Note	Group 31 March 2022 £	Company 31 March 2022 £
<b>Due within one year</b>			
Loans and borrowings	19	500,000	500,000
Trade creditors		2,662,049	-
Amounts due to related parties	22	14	2,046,702
Social security and other taxes		221,869	-
Outstanding defined contribution pension costs		8,210	-
Other payables		8,275	-
Accruals		1,376,571	-
Corporation tax liability	9	166,785	-
		<u>4,943,773</u>	<u>2,546,702</u>
<b>Due after one year</b>			
Loans and borrowings	19	<u>1,500,000</u>	<u>1,500,000</u>



## Greenzone Software Development Limited

### Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

#### 16 Provisions for liabilities

##### Group

	Deferred tax £	Total £
Increase (decrease) through business combinations	66,825	66,825
At 31 March 2022	<u>66,825</u>	<u>66,825</u>

#### 17 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the group to the scheme and amounted to £43,588.

Contributions totalling £8,210 were payable to the scheme at the end of the period and are included in creditors.

#### 18 Share capital

##### Allotted, called up and fully paid shares

	31 March 2022 No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>

#### 19 Loans and borrowings

	Group 31 March 2022 £	Company 31 March 2022 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	<u>1,500,000</u>	<u>1,500,000</u>

	Group 31 March 2022 £	Company 31 March 2022 £
<b>Current loans and borrowings</b>		
Bank borrowings	<u>500,000</u>	<u>500,000</u>

## **Greenzone Software Development Limited**

### **Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022**

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#### **20 Obligations under leases and hire purchase contracts**

##### **Group**

##### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>31 March 2022 £</b>
Not later than one year	9,224
Later than one year and not later than five years	<u>4,111</u>
	<u><u>13,335</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the period was £31,193 .

#### **21 Charges**

##### **Group**

The following are outstanding:

Two charges with Clydesdale Bank PLC created 20 September 2021 containing a fixed charge and a negative pledge.

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

## Greenzone Software Development Limited

### Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

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#### 22 Related party transactions

##### Group

##### 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 £
<b>31 March 2022</b>	
Receipt of services	14,486
Amounts receivable from related party	59,949

##### Expenditure with and payables to related parties

	Other related parties £
<b>31 March 2022</b>	
Rendering of services	25,762
Leases	20,000
	<u>45,762</u>

##### Loans to related parties

	Key management £	Total £
<b>31 March 2022</b>		
Increase due to change in business combinations	24,377	24,377
At end of period	<u>24,377</u>	<u>24,377</u>

##### Terms of loans to related parties

The loan 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.

# Greenzone Software Development Limited

## Notes to the Financial Statements for the Period from 5 November 2020 to 31 March 2022

### 23 Financial instruments

#### Group

#### Categorisation of financial instruments

	31 March 2022 £
Financial assets measured at fair value through profit or loss	8,583,742
Financial liabilities measured at fair value through profit or loss	<u>10,240,313</u>

#### Items of income, expense, gains or losses

	Income £	Expense £
31 March 2022		
Financial liabilities measured at amortised cost	<u>-</u>	<u>107,272</u>

#### Company

#### Categorisation of financial instruments

	31 March 2022 £
Financial assets measured at amortised cost	20,020
Financial liabilities measured at amortised cost	<u>4,046,702</u>

#### Items of income, expense, gains or losses

	Income £	Expense £
31 March 2022		
Financial liabilities measured at amortised cost	<u>-</u>	<u>106,078</u>

### 24 Control

Greenzone Software Development Limited is jointly controlled by Mr P A McConnell and Mr D Miller.