

Company Registration No. 00148350 (England and Wales)

J.H.& F.W.GREEN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

J.H.& F.W.GREEN LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | R J H Green P W Green G R Green H C E Green J Green R H Green S D Green E R Green |
| Secretary | R J H Green |
| Company number | 00148350 |
| Registered office | 57-59 Saltergate Chesterfield Derbyshire S40 1UL |
| Auditor | BHP LLP 57-59 Saltergate Chesterfield Derbyshire S40 1UL |

J.H.& F.W.GREEN LIMITED

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J.H.& F.W.GREEN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present the strategic report for the year ended 31 December 2019.

Fair review of the business

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and complex nature of our business and is written in the context of the risks and uncertainties we face.

The Group's principal activity, through David Cover and Son Ltd ("Covers") is the supply of timber and building materials to trade and private customers from depots across Sussex, Hampshire, Surrey and Kent.

The Group's other major activities are farming, and the development and rental of property.

In 2019 Covers acquired a substantial freehold site in Southampton which opened later in the year after extensive investment in the premises. This provides a far better offer to its customers in the area as well as improving the staff's working environment. It will also reduce the volume of lorry traffic from Chichester to Hampshire thus reducing vehicle emissions. The long term leasehold of the Alresford depot was also purchased, and this has cleared the way for improvements to that depot too. Both these purchases reduced the rental cost base and therefore improved the resilience of the business.

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the Group as a whole, these being turnover, operating profit and profit before taxation.

The turnover of the Group decreased by 9.5 %. Covers' market has continued to be soft and highly competitive due to reduced level of customer activity - possibly related to Brexit concerns. There was also no property development activity in 2019.

Overall gross margin increased to 35.4% (2018: 33.9%) however £ gross profit reduced by 5.6%.

In 2018 the Group benefited from a £1.4m profit contribution from the Chichester Business Park property joint venture which received most of the year's rent before the sale of its main investment property assets (for strategic de-risking reasons). Its income in 2019 was minimal while one building was built (and mostly let) and plans made to develop the remaining 5 acres of its site.

Group operating margin as a percentage of sales therefore declined to 6.6% (2018 8.1%) as did operating profit at £5.3m (2018 £7.2m).

Net interest payable reduced by £0.3m with strong cash generation (including the share of proceeds of the joint venture disposals) and lower interest rates despite continued investment in the business. There were no fair value gains (2018 £0.8m).

Profit before taxation was £5.2m (2018 : £7.5m). The tax charge was £0.8m (2018: £1.3m). Reported profit after taxation was £4.3m (2018 : £6.2m).

J.H.& F.W.GREEN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Fair review of the business (continued)

During the year the Group contributed to the local community, particularly to hospices across the region, by making charitable donations of £52,000 (2018 : £64,000).

The Group's Defined Benefit Pension Plan deficit increased to £3.0m (2018 : £1.0m). This was due to the present value of the defined benefit obligations increasing by £3.1m because of a reduction in the discount rate from 3.55% to 2.6%. Plan Investments improved by £1.2m due a good performance by the global equity part of the portfolio. The Plan reduced its investment in property funds due to their exposure to the office and retail sectors while maintaining investment in directly held property (trade units). The major investment continues to be high yield bonds.

The spread of assets held by the Plan is targeted at producing returns above the actuarial technical provisions with diversity to avoid excessive volatility.

After movements relating to the defined benefit pension scheme, revaluations and dividends, reserves have increased by £0.3m. Overall the Group's balance sheet is in robust shape.

Cash generated from operations was £5.9m (2018 £5.0m). Due to the Covers depot acquisitions (total Group capital expenditure £6.2m) there was a small increase in bank loans (£1.1m). The Group's share of the proceeds of the Chichester Business Park disposals (£3.9m) and of other asset disposals was used to enable an associated company to repay its bank debt. Overall cash outflow was £0.2m. The Group works well within its credit facilities.

At the time of writing Covers is cautiously expanding its trading activity having closed entirely for 4 weeks from late March 2020 to support the national effort to combat the Covid19 pandemic. The majority of the staff were furloughed, and some remain so or are working part time only.

The priority as Covers reopened its depots was, and is, the safety and welfare of the staff and customers and the wider public interest. It is too early to predict the impact on the trading outcome for 2020 either in terms of turnover or profit/loss.

However the Group's prudent approach to finance means that we continue to pay our suppliers to terms and to have considerable unused borrowing facilities.

We have clearly demonstrated the resilience that a long-term oriented family owned business has. We have also continued to be guided by our values (available on the website www.coversmerchants.co.uk) and aimed to protect and enhance our long term reputation with all stakeholders.

In addition to the impact of Covid19, which is expected to mean a patchy and drawn out recovery for the construction sector, the Group is concerned about the impact a potentially somewhat disorderly Brexit may have on the economy and demand.

The Group is positive about the medium-term and continues to invest in its staff, depots, vehicles and website. Stock and debtor control remain key business priorities as well as ensuring continuity of supplies.

With these risks and uncertainties in mind, we are aware that the development of the business may be subject to other unforeseen future events outside of our control but we remain confident that the continued investment in the business and its underlying financial strength will enable it to continue to succeed in these challenging markets and be well placed to take advantage of opportunities for growth.

The directors recognise the important contribution made by all the staff in the business's success.

Research and development

Covers continues to invest in developing its on-line ordering and sales capability.

J.H.& F.W.GREEN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

J.H. and F.W. Green Group ("Greens"): Stakeholder Engagement– Section 172(1) Statement

As the Board of Greens, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider to be most likely to promote the Group's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the Group and its stakeholders. This statement addresses the ways in which we as a Board carry out this responsibility.

Promoting the company's success for its members

Greens' history dates back to its incorporation in 1917 although the family had been involved in timber for at least a century before that. The main trading business was founded by the Cover family in 1846, in 1946 control passed to Greens which continues to run it today. We're proud of the ways in which, over nearly 175 years, the Group has provided employment, training and financial reward for its owners and employees. We regard it as important that the family ownership has been maintained through the generations and the Group has re-invested most of its profits.

Covers aims to be the first choice for SME builders in the South East while providing excellent service to its larger corporate and retail customers too. In a crowded market, dominated by large corporate entities including UK and European ples, Covers has retained its distinctive independent position by investing in its staff, branches and timber production facilities.

Greens other businesses of farming and property investment are also focused on the long term both in the way we farm, and we improve commercial and residential property for letting. This includes investing in solar PV and heat pumps where appropriate.

The Group makes strategic decisions based on long-term objectives. This has meant significant investment in capital, including acquiring other builders merchants, acquiring and improving premises, and continuing investment in vehicles, timber processing plant and lower carbon equipment, to ensure that we can serve more customers more effectively.

Engaging with stakeholders

Our key stakeholders, and the ways in which we engage with them, are as follows:

Our employees

The Group rely on a skilled team including sales people, mill operatives, forklift, estate workers and lorry drivers all supported by head office purchasing, finance, HR, property and other specialists.

Recruitment and retention of staff is therefore a critical business activity. We engage with team members by:

- setting remuneration at competitive rates, and rewarding performance with bonuses in the trading business;
- providing training and career development support;
- ensuring that staff meet with their depot/department manager regularly and with a director at least annually.

Our customers and suppliers

We aim to offer a market leading service to our customers of all sizes and types. We aim for long term relationships with our suppliers both directly and as part of our membership of the Fortis buying group of likeminded companies. We have built, and will maintain, a reputation for transparency and fair dealing in our interaction with customers and suppliers.

J.H.& F.W.GREEN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

Our community

We are a family-run company with roots in Chichester and support the communities across the region we serve through charity donations. This particularly includes regular donations and fundraising for Hospices across the region we serve. We also provide support to many other local charities, clubs and schools with funds, materials and favourable rents. Our staff are encouraged to engage in the community through paid days off and matching of donations they raise.

Our planet

We procure our timber from sustainable sources. We have invested in Solar PV on most of our depots and warehouse roofs; we aim to eliminate or recycle waste materials and continue to invest in lower energy consumption lighting. We are procuring electric (rather than diesel) powered forklift trucks and electric/hybrid cars and have continued to invest in lower emission Euro 6 lorries.

On behalf of the board

S D Green

Director

14 July 2020

J.H.& F.W.GREEN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R J H Green
P W Green
G R Green
H C E Green
J Green
R H Green
S D Green
E R Green

Results and dividends

The results for the year are set out on page 10.

Ordinary dividends were paid amounting to £1,173,074.

Disabled persons

The Group's policy is that disabled people are given full consideration for employment and subsequent training (including, if needed, retraining for alternative work where employees have become disabled), career development and promotion on the basis of their aptitudes and abilities.

Auditors

BHP, Chartered Accountants have expressed their willingness to continue in office, subject to the approval of members in general meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

S D Green
Director
14 July 2020

J.H.& F.W.GREEN LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2019

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. 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 then 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;
- 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.

J.H.& F.W.GREEN LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF J.H.& F.W.GREEN LIMITED

Opinion

We have audited the financial statements of J.H.& F.W.Green Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the Group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the Group 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 FRS 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 the parent company's affairs as at 31 December 2019 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's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

J.H.& F.W.GREEN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF J.H.& F.W.GREEN LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year 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 the parent company and its 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 where 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

J.H.& F.W.GREEN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF J.H.& F.W.GREEN 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.

Philip Allsop (Senior Statutory Auditor)
for and on behalf of BHP LLP

13 July 2020

Chartered Accountants
Statutory Auditor

57-59 Saltergate
Chesterfield
Derbyshire
S40 1UL

J.H.& F.W.GREEN LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

| | Notes | 2019 £ | 2018 £ |
|--|----------|-------------------|-------------------|
| Turnover | 3 | 80,744,682 | 89,250,407 |
| Cost of sales | | (52,143,357) | (58,959,121) |
| Gross profit | | 28,601,325 | 30,291,286 |
| Distribution costs | | (13,068,273) | (12,373,044) |
| Administrative expenses | | (13,636,974) | (15,759,412) |
| Other operating income | | 3,399,289 | 3,692,470 |
| Profit/(loss) on sale of tangible assets | | - | (4,118) |
| Share of operating profit in Joint Venture | | 39,080 | 1,391,073 |
| Operating profit | 4 | 5,334,447 | 7,238,255 |
| Interest receivable and similar income | 8 | 383,905 | 316,099 |
| Interest payable and similar expenses | 9 | (551,917) | (809,890) |
| Fair value gains and losses | 10 | (834) | 752,565 |
| Profit before taxation | | 5,165,601 | 7,497,029 |
| Taxation | 11 | (823,698) | (1,296,416) |
| Profit for the financial year | | 4,341,903 | 6,200,613 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

J.H.& F.W.GREEN LIMITED**GROUP STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2019**

| | 2019 | 2018 |
|--|--------------------------|--------------------------|
| | £ | £ |
| Profit for the year | 4,341,903 | 6,200,613 |
| | <u><u> </u></u> | <u><u> </u></u> |
| Other comprehensive income | | |
| Actuarial (loss)/gain on defined benefit pension schemes | (2,378,000) | 1,875,000 |
| Tax relating to other comprehensive income | 347,180 | (261,030) |
| | <u> </u> | <u> </u> |
| Other comprehensive income for the year | (2,030,820) | 1,613,970 |
| | <u><u> </u></u> | <u><u> </u></u> |
| Total comprehensive income for the year | 2,311,083 | 7,814,583 |
| | <u><u> </u></u> | <u><u> </u></u> |

Total comprehensive income for the year is all attributable to the owners of the parent company.

J.H.& F.W.GREEN LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2019

| | Notes | 2019 | | 2018 | |
|--|-------|--------------|-------------|--------------|-------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Goodwill | 13 | | 844,938 | | 938,820 |
| Other intangible assets | 13 | | 39,431 | | - |
| | | | | | |
| Total intangible assets | | | 884,369 | | 938,820 |
| Tangible assets | 14 | | 34,471,892 | | 31,095,598 |
| Investment properties | 15 | | 6,815,913 | | 7,432,136 |
| Investments | 16 | | 2,385,977 | | 6,322,459 |
| | | | | | |
| | | | 44,558,151 | | 45,789,013 |
| Current assets | | | | | |
| Stocks | 19 | 12,527,676 | | 13,480,058 | |
| Debtors | 20 | 23,408,532 | | 19,051,366 | |
| Cash at bank and in hand | | 589,773 | | 778,246 | |
| | | | | | |
| | | | 36,525,981 | | 33,309,670 |
| Creditors: amounts falling due within one year | 21 | (14,070,041) | | (14,702,393) | |
| | | | | | |
| Net current assets | | | 22,455,940 | | 18,607,277 |
| | | | | | |
| Total assets less current liabilities | | | 67,014,091 | | 64,396,290 |
| | | | | | |
| Creditors: amounts falling due after more than one year | 22 | | (8,101,225) | | (8,573,407) |
| | | | | | |
| Provisions for liabilities | 25 | | (1,283,991) | | (1,315,017) |
| | | | | | |
| Net assets excluding pension liability | | | 57,628,875 | | 54,507,866 |
| | | | | | |
| Defined benefit pension liability | 27 | | (2,979,000) | | (996,000) |
| | | | | | |
| Net assets | | | 54,649,875 | | 53,511,866 |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 28 | | 610,976 | | 610,976 |
| Fair value reserve | 29 | | 4,485,338 | | 5,708,770 |
| Profit and loss reserves | | | 49,553,561 | | 47,192,120 |
| | | | | | |
| Equity attributable to owners of the parent company | | | 54,649,875 | | 53,511,866 |

J.H.& F.W.GREEN LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2019

The financial statements were approved by the board of directors and authorised for issue on 13 July 2020 and are signed on its behalf by:

J Green
Director

J.H.& F.W.GREEN LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2019

| | | 2019 | | 2018 | |
|--|-------|-------------|---|-------------|---|
| | Notes | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 14 | 2,986,620 | | 2,943,294 | |
| Investment properties | 15 | 1,420,000 | | 1,750,000 | |
| Investments | 16 | 3,998,600 | | 4,011,999 | |
| | | | | | |
| | | 8,405,220 | | 8,705,293 | |
| Current assets | | | | | |
| Stocks | 19 | 983,760 | | 935,380 | |
| Debtors | 20 | 15,906,196 | | 12,179,604 | |
| Cash at bank and in hand | | 559,070 | | 687,325 | |
| | | | | | |
| | | 17,449,026 | | 13,802,309 | |
| Creditors: amounts falling due within one year | 21 | (6,251,359) | | (4,794,909) | |
| | | | | | |
| Net current assets | | 11,197,667 | | 9,007,400 | |
| Total assets less current liabilities | | 19,602,887 | | 17,712,693 | |
| | | | | | |
| Creditors: amounts falling due after more than one year | 22 | (6,787,500) | | (7,087,500) | |
| | | | | | |
| Provisions for liabilities | 25 | (32,200) | | (81,790) | |
| | | | | | |
| Net assets excluding pension liability | | 12,783,187 | | 10,543,403 | |
| | | | | | |
| Defined benefit pension liability | 27 | (2,979,000) | | (996,000) | |
| | | | | | |
| Net assets | | 9,804,187 | | 9,547,403 | |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 28 | 610,976 | | 610,976 | |
| Fair value reserve | 29 | 40,579 | | 198,979 | |
| Profit and loss reserves | | 9,152,632 | | 8,737,448 | |
| | | | | | |
| Total equity | | 9,804,187 | | 9,547,403 | |

The financial statements were approved by the board of directors and authorised for issue on 13 July 2020 and are signed on its behalf by:

J Green
Director

Company Registration No. 00148350

J.H.& F.W.GREEN LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

| | | Share capital | Revaluation reserve | Profit and loss reserves | Total |
|---|-------|---------------|------------------------|-----------------------------|-------------|
| | Notes | £ | £ | £ | £ |
| Balance at 1 January 2018 | | 610,976 | 4,592,317 | 41,557,089 | 46,760,382 |
| Year ended 31 December 2018: | | | | | |
| Profit for the year | | - | - | 6,200,613 | 6,200,613 |
| Other comprehensive income: | | | | | |
| Actuarial gains/(losses) on defined benefit plans | | - | - | 1,875,000 | 1,875,000 |
| Tax relating to other comprehensive income | | - | - | (261,030) | (261,030) |
| Total comprehensive income for the year | | - | - | 7,814,583 | 7,814,583 |
| Dividends | 12 | - | - | (1,063,099) | (1,063,099) |
| Transfers | | - | - | 1,947,003 | 1,947,003 |
| Other movements | | - | 1,116,453 | (3,063,456) | (1,947,003) |
| Balance at 31 December 2018 | | 610,976 | 5,708,770 | 47,192,120 | 53,511,866 |
| Year ended 31 December 2019: | | | | | |
| Profit for the year | | - | - | 4,341,903 | 4,341,903 |
| Other comprehensive income: | | | | | |
| Actuarial gains/(losses) on defined benefit plans | | - | - | (2,378,000) | (2,378,000) |
| Tax relating to other comprehensive income | | - | - | 347,180 | 347,180 |
| Total comprehensive income for the year | | - | - | 2,311,083 | 2,311,083 |
| Dividends | 12 | - | - | (1,173,074) | (1,173,074) |
| Other movements | | - | (1,223,432) | 1,223,432 | - |
| Balance at 31 December 2019 | | 610,976 | 4,485,338 | 49,553,561 | 54,649,875 |

J.H.& F.W.GREEN LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

| | | Share capital | Fair value | Profit and reserveloss reserves | Total |
|---|-------|---------------|------------|------------------------------------|-------------|
| | Notes | £ | £ | £ | £ |
| Balance at 1 January 2018 | | 610,976 | 198,979 | 4,059,218 | 7,850,056 |
| Period ended 31 December 2018: | | | | | |
| Profit for the year | | - | - | 1,146,476 | 1,146,476 |
| Other comprehensive income: | | | | | |
| Actuarial gains and (losses) on defined benefit plans | | - | - | 1,875,000 | 1,875,000 |
| Tax relating to other comprehensive income | | - | - | (261,030) | (261,030) |
| Total comprehensive income for the year | | - | - | 2,760,446 | 2,760,446 |
| Dividends | 12 | - | - | (1,063,099) | (1,063,099) |
| Balance at 31 December 2018 | | 610,976 | 198,979 | 8,737,448 | 9,547,403 |
| Period ended 31 December 2019: | | | | | |
| Profit for the year | | - | - | 3,460,678 | 3,460,678 |
| Other comprehensive income: | | | | | |
| Actuarial gains and (losses) on defined benefit plans | | - | - | (2,378,000) | (2,378,000) |
| Tax relating to other comprehensive income | | - | - | 347,180 | 347,180 |
| Total comprehensive income for the year | - | - | - | 1,429,858 | 1,429,858 |
| Dividends | 12 | - | - | (1,173,074) | (1,173,074) |
| Other | | - | (158,400) | 158,400 | - |
| Balance at 31 December 2019 | | 610,976 | 40,579 | 9,152,632 | 9,804,187 |

J.H.& F.W.GREEN LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

| | | 2019 | 2018 |
|---|-------|---------------------------|---------------------------|
| | Notes | £ | £ |
| Cash flows from operating activities | | | |
| Cash generated from operations | 34 | 5,922,296 | 4,978,536 |
| Interest paid | | (524,917) | (655,778) |
| Income taxes paid | | (1,210,082) | (1,100,724) |
| Net cash inflow from operating activities | | <u>4,187,297</u> | <u>3,222,034</u> |
| Investing activities | | | |
| Purchase of business | | - | (4,633,041) |
| Purchase of intangible assets | | (59,146) | (45,200) |
| Proceeds on disposal of intangibles | | 18,227 | - |
| Purchase of tangible fixed assets | | (4,665,838) | (928,932) |
| Proceeds on disposal of tangible fixed assets | | 40,470 | 60,606 |
| Purchase of investment property | | (1,777) | (70,579) |
| Proceeds on disposal of investment property | | 727,344 | 766,000 |
| Proceeds on disposal of fixed asset investments | | 13,399 | (586,000) |
| Joint venture drawings | | 3,900,000 | 1,000,000 |
| Proceeds from other investments and loans | | (58,281) | - |
| Interest received | | 382,765 | 312,561 |
| Other investment income received | | 1,140 | 2,686 |
| Net cash generated from/(used in) investing activities | | <u>298,303</u> | <u>(4,121,899)</u> |
| Financing activities | | | |
| Repayment of borrowings | | (20,341) | - |
| Increase/(repayment) of bank loans | | 1,123,030 | (1,049,242) |
| Loans to associated companies | | (4,547,700) | 1,253,272 |
| Increase/(repayment) of finance leases obligations | | (95,211) | 401,619 |
| Dividends paid to equity shareholders | | (1,173,074) | (1,063,099) |
| Net cash used in financing activities | | <u>(4,713,296)</u> | <u>(457,450)</u> |
| Net decrease in cash and cash equivalents | | <u>(227,696)</u> | <u>(1,357,315)</u> |
| Cash and cash equivalents at beginning of year | | <u>(448,858)</u> | <u>908,457</u> |
| Cash and cash equivalents at end of year | | <u><u>(676,554)</u></u> | <u><u>(448,858)</u></u> |
| Relating to: | | | |
| Cash at bank and in hand | | 589,773 | 778,246 |
| Bank overdrafts included in creditors payable within one year | | <u><u>(1,266,327)</u></u> | <u><u>(1,227,104)</u></u> |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

J.H.& F.W.Green Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 57-59 Saltergate, Chesterfield, Derbyshire, S40 1UL.

The Group consists of J.H.& F.W.Green Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. A property used in the trade of another Group company has been reclassified from investment properties to tangible fixed assets in the accounts in the light of the triennial review of FRS 102. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £3,460,678 (2018 - £1,146,476 profit).

1.2 Basis of consolidation

The consolidated financial statements incorporate those of J.H.& F.W.Green Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2019.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.3 Going concern

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

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

1.5 Intangible fixed assets - goodwill

Goodwill arising on consolidation, representing the excess of the purchase price over the fair value of net assets of subsidiaries at the date of acquisition is capitalised and written off over its useful economic life. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

| | |
|---------------------|-----------------------|
| Website development | 3 years straight line |
|---------------------|-----------------------|

1.7 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:

| | |
|--------------------------------|---|
| Land and buildings | 1.25% straight line in appropriate cases. |
| Plant and machinery | 4.1%, 8% & 10% straight line |
| Fixtures, fittings & equipment | 8% straight line |
| Motor vehicles | 8% & 20% straight line |

1.8 Investment properties

Investment properties are not depreciated as they are measured using the fair value model and stated at its fair value as the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

1.10 Financial instruments

The Group 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 Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are covered in note 1.9.

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.

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 group 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 Group after deducting all of its liabilities.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate. Hedge accounting has not been applied.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Retirement benefits

The contributions payable in respect of defined contribution schemes are charged to the profit and loss account for the relevant year.

The cost to the Group of pensions in respect of the defined benefit pension scheme are reflected in the accounts in accordance with Financial Reporting Standard 102.

2 Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

| | 2019 £ | 2018 £ |
|-----------------|------------|------------|
| Turnover | | |
| Group turnover | 80,744,682 | 89,250,407 |

Turnover analysed by geographical market

| | 2019 £ | 2018 £ |
|----------------|------------|------------|
| United Kingdom | 80,744,682 | 89,250,407 |

4 Operating profit

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Operating profit for the year is stated after charging/(crediting): | | |
| Exchange (gains)/losses | 125 | 833 |
| Depreciation of owned tangible fixed assets | 1,143,193 | 1,130,307 |
| Depreciation of tangible fixed assets held under finance leases | 65,724 | 59,204 |
| Loss/(profit) on disposal of tangible fixed assets | (62,748) | 43,470 |
| Profit on disposal of investment property | (109,344) | - |
| Amortisation of intangible assets | 113,597 | 221,336 |
| Loss on disposal of intangible assets | (18,227) | - |

5 Auditors' remuneration

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
| Fees payable to the group's auditor and its associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | 43,240 | 41,095 |
| Audit of the company's subsidiaries | 45,049 | 40,332 |
| | 88,289 | 81,427 |
| For other services | | |
| Taxation services | 2,955 | 3,073 |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

| | 2019 Number | 2018 Number |
|-----------------------|----------------|----------------|
| Office and management | 114 | 127 |
| Sales and operations | 362 | 356 |
| | <u>476</u> | <u>483</u> |

Their aggregate remuneration comprised:

| | 2019 £ | 2018 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 12,489,101 | 12,949,580 |
| Social security costs | 1,189,698 | 1,206,936 |
| Pension costs | 959,292 | 1,862,877 |
| | <u>14,638,091</u> | <u>16,019,393</u> |

7 Directors' remuneration

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Remuneration for qualifying services | 548,321 | 471,113 |
| Company pension contributions to defined contribution schemes | 20,614 | 46,568 |
| | <u>568,935</u> | <u>517,681</u> |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

| | 2019 £ | 2018 £ |
|---|----------------|----------------|
| Remuneration for qualifying services | 257,750 | 104,461 |
| Company pension contributions to defined contribution schemes | 10,000 | 15,245 |
| | <u>267,750</u> | <u>119,706</u> |

J.H.& F.W.GREEN LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2019****8 Interest receivable and similar income**

| | 2019 | 2018 |
|--|----------------|----------------|
| | £ | £ |
| Interest income | | |
| Other interest income | 382,765 | 313,413 |
| Income from fixed asset investments | | |
| Income from other fixed asset investments | 1,140 | 2,686 |
| Total income | <u>383,905</u> | <u>316,099</u> |

9 Interest payable and similar expenses

| | 2019 | 2018 |
|--|----------------|----------------|
| | £ | £ |
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | 449,293 | 575,345 |
| Other finance costs: | | |
| Interest on finance leases and hire purchase contracts | 14,060 | 11,798 |
| Net interest on the net defined benefit liability | 27,000 | 65,000 |
| Other interest | 61,564 | 157,747 |
| Total finance costs | <u>551,917</u> | <u>809,890</u> |

10 Fair value gains/losses

| | 2019 | 2018 |
|---|-----------------|----------------|
| | £ | £ |
| Fair value gains/(losses) on financial instruments | | |
| Change in value of financial assets held at fair value through profit or loss | - | 852 |
| Change in the value of financial liabilities held at fair value | (20,341) | 307,470 |
| | <u>(20,341)</u> | <u>308,322</u> |
| Other gains/(losses) | | |
| Changes in the fair value of investment properties | - | 454,066 |
| Changes in fair value of investments | 19,507 | (9,823) |
| | <u>(834)</u> | <u>752,565</u> |

11 Taxation

| | 2019 | 2018 |
|--|----------------|------------------|
| | £ | £ |
| Current tax | | |
| UK corporation tax on profits for the current period | 800,084 | 1,295,684 |
| Adjustments in respect of prior periods | (1,692) | (6,688) |
| Total current tax | <u>798,392</u> | <u>1,288,996</u> |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

11 Taxation (Continued)

Deferred tax

| | | |
|--|-------------------|-------------------|
| Origination and reversal of timing differences | 25,306 | 7,420 |
| | <u> </u> | <u> </u> |
| Total tax charge | 823,698 | 1,296,416 |
| | <u> </u> | <u> </u> |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Profit before taxation | 5,165,601 | 7,497,029 |
| | <u> </u> | <u> </u> |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%) | 981,464 | 1,424,436 |
| Tax effect of expenses that are not deductible in determining taxable profit | (6,756) | 12,541 |
| Tax effect of income not taxable in determining taxable profit | (7,169) | - |
| Change in deferred tax | (53,126) | 126,301 |
| Adjustments in respect of prior years | (1,692) | (6,688) |
| Effect of change in corporation tax rate | (220) | - |
| Permanent capital allowances in excess of depreciation | 65,558 | - |
| Other permanent differences | (186,546) | (182,926) |
| Additional deduction for LRR | 5 | - |
| Deferred tax re investment properties | 40 | - |
| Changes in deferred tax rates | 32,140 | (77,248) |
| | <u> </u> | <u> </u> |
| Taxation charge | 823,698 | 1,296,416 |
| | <u> </u> | <u> </u> |

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Deferred tax arising on: | | |
| Actuarial differences recognised as other comprehensive income | (347,180) | 261,030 |
| | <u> </u> | <u> </u> |

12 Dividends

| | 2019 £ | 2018 £ |
|----------------|-------------------|-------------------|
| Dividends paid | 1,173,074 | 1,063,099 |
| | <u> </u> | <u> </u> |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

13 Intangible fixed assets

| Group | Goodwill £ | Website development £ | Total £ |
|------------------------------------|---------------|-----------------------------|------------|
| Cost | | | |
| At 1 January 2019 | 1,120,375 | 131,678 | 1,252,053 |
| Additions - separately acquired | - | 59,146 | 59,146 |
| At 31 December 2019 | 1,120,375 | 190,824 | 1,311,199 |
| Amortisation and impairment | | | |
| At 1 January 2019 | 181,555 | 131,678 | 313,233 |
| Amortisation charged for the year | 93,882 | 19,715 | 113,597 |
| At 31 December 2019 | 275,437 | 151,393 | 426,830 |
| Carrying amount | | | |
| At 31 December 2019 | 844,938 | 39,431 | 884,369 |
| At 31 December 2018 | 938,820 | - | 938,820 |

The Company had no intangible fixed assets at 31 December 2019 or 31 December 2018.

14 Tangible fixed assets

| Group | Land and buildings £ | Plant and machinery £ | Fixtures, fittings & equipment £ | Motor vehicles £ | Total £ |
|------------------------------------|----------------------------|-----------------------------|--|---------------------|------------|
| Cost | | | | | |
| At 1 January 2019 | 27,782,066 | 5,646,416 | 2,412,618 | 4,915,927 | 40,757,027 |
| Additions | 3,689,724 | 92,685 | 203,388 | 680,041 | 4,665,838 |
| Disposals | - | (120,501) | (47,896) | (260,586) | (428,983) |
| At 31 December 2019 | 31,471,790 | 5,618,600 | 2,568,110 | 5,335,382 | 44,993,882 |
| Depreciation and impairment | | | | | |
| At 1 January 2019 | 2,942,829 | 2,575,273 | 1,770,281 | 2,373,046 | 9,661,429 |
| Depreciation charged in the year | 224,917 | 332,856 | 119,974 | 531,170 | 1,208,917 |
| Eliminated in respect of disposals | - | (97,491) | - | (250,865) | (348,356) |
| At 31 December 2019 | 3,167,746 | 2,810,638 | 1,890,255 | 2,653,351 | 10,521,990 |
| Carrying amount | | | | | |
| At 31 December 2019 | 28,304,044 | 2,807,962 | 677,855 | 2,682,031 | 34,471,892 |
| At 31 December 2018 | 24,839,237 | 3,071,143 | 642,337 | 2,542,881 | 31,095,598 |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

14 Tangible fixed assets

(Continued)

| Company | Land and buildings £ | Plant and machinery £ | Motor vehicles £ | Total £ |
|------------------------------------|----------------------------|-----------------------------|---------------------|------------|
| Cost | | | | |
| At 1 January 2019 | 2,566,154 | 446,715 | 127,669 | 3,140,538 |
| Additions | - | 78,995 | 29,500 | 108,495 |
| Disposals | - | - | (13,319) | (13,319) |
| At 31 December 2019 | 2,566,154 | 525,710 | 143,850 | 3,235,714 |
| Depreciation and impairment | | | | |
| At 1 January 2019 | - | 129,866 | 67,378 | 197,244 |
| Depreciation charged in the year | - | 39,387 | 20,446 | 59,833 |
| Eliminated in respect of disposals | - | - | (7,983) | (7,983) |
| At 31 December 2019 | - | 169,253 | 79,841 | 249,094 |
| Carrying amount | | | | |
| At 31 December 2019 | 2,566,154 | 356,457 | 64,009 | 2,986,620 |
| At 31 December 2018 | 2,566,154 | 316,849 | 60,291 | 2,943,294 |

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

| | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|---------------------|--------------------|-----------|----------------------|-----------|
| Plant and machinery | - | 76,212 | - | - |
| Motor vehicles | 411,011 | 476,736 | - | - |
| | 411,011 | 552,948 | - | - |

Group freehold land and buildings with a carrying amount of £4,895,650 (2018 - £4,895,650) have been pledged to secure liabilities of the group. The Group is not allowed to pledge these assets as security for other borrowings or to sell them to another entity.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

15 Investment properties

| | Group 2019 £ | Company 2019 £ |
|--|--------------------|----------------------|
| Fair value | | |
| At 1 January 2018 | 7,432,136 | 1,750,000 |
| Additions through external acquisition | 1,777 | - |
| Disposals | (618,000) | (330,000) |
| At 31 December 2019 | <u>6,815,913</u> | <u>1,420,000</u> |

The directors consider that the value of the investment properties at 31 December 2019 fairly reflects their current market value. All investment properties are available for let under operating leases.

16 Fixed asset investments

| | Notes | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|--|-------|--------------------|------------------|----------------------|------------------|
| Investments in subsidiaries | 17 | - | - | 3,896,590 | 3,896,590 |
| Investments in joint ventures | | 2,273,350 | 6,196,433 | - | - |
| Quoted investments | | 102,182 | 115,581 | 101,993 | 115,392 |
| Unlisted investments | | 10,445 | 10,445 | 17 | 17 |
| | | <u>2,385,977</u> | <u>6,322,459</u> | <u>3,998,600</u> | <u>4,011,999</u> |
| Quoted investments included in above; | | | | | |
| Quoted investments carrying amount | | <u>102,182</u> | <u>115,581</u> | <u>101,993</u> | <u>115,392</u> |

The Group has a half share in Chichester Business Park - Joint Venture, which is an unincorporated property development business, separate financial statements are prepared for the Joint Venture.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

16 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

| | Shares in joint ventures | Other investments other than loans | Total |
|--------------------------|-----------------------------|---|------------------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 1 January 2019 | 6,196,433 | 126,026 | 6,322,459 |
| Additions | - | 6,000 | 6,000 |
| Valuation changes | - | 19,507 | 19,507 |
| Joint venture loss share | (23,083) | - | (23,083) |
| Joint venture drawings | (3,900,000) | - | (3,900,000) |
| Disposals | - | (38,906) | (38,906) |
| | <u>2,273,350</u> | <u>112,627</u> | <u>2,385,977</u> |
| At 31 December 2019 | 2,273,350 | 112,627 | 2,385,977 |
| Carrying amount | | | |
| At 31 December 2019 | <u>2,273,350</u> | <u>112,627</u> | <u>2,385,977</u> |
| At 31 December 2018 | <u>6,196,433</u> | <u>126,026</u> | <u>6,322,459</u> |

Movements in fixed asset investments Company

| | Shares in group undertakings | Other investments other than loans | Total |
|--------------------------|---------------------------------|---|------------------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 1 January 2019 | 3,896,590 | 115,409 | 4,011,999 |
| Additions | - | 6,000 | 6,000 |
| Valuation changes | - | 19,507 | 19,507 |
| Disposals | - | (38,906) | (38,906) |
| | <u>3,896,590</u> | <u>102,010</u> | <u>3,998,600</u> |
| At 31 December 2019 | 3,896,590 | 102,010 | 3,998,600 |
| Carrying amount | | | |
| At 31 December 2019 | <u>3,896,590</u> | <u>102,010</u> | <u>3,998,600</u> |
| At 31 December 2018 | <u>3,896,590</u> | <u>115,409</u> | <u>4,011,999</u> |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2019 are as follows:

| Name of undertaking and country of incorporation or residency | | Nature of business | Class of shareholding | % Held |
|---|-------------------|-------------------------------|-----------------------|--------|
| Bury Estates Limited | England and Wales | Property investment | Ordinary | 100.00 |
| David Cover & Son Limited | England and Wales | Timber and builders merchants | Ordinary | 100.00 |
| Seabeach Investments Limited | Guernsey | Property investment | Ordinary | 100.00 |
| Sengate Limited | England and Wales | Property development | Ordinary | 100.00 |
| Spur Properties Limited | England and Wales | Property investment | Ordinary | 100.00 |
| Orpington Timber & Building Supplies Limited | England and Wales | Timber and builders merchants | Ordinary | 100.00 |

18 Financial instruments

| | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|--|--------------------|------------|----------------------|------------|
| Carrying amount of financial assets | | | | |
| Debt instruments measured at amortised cost | 22,174,935 | 17,974,882 | 15,288,469 | 11,667,026 |
| Equity instruments measured at cost less impairment | 10,445 | 10,445 | 17 | 17 |
| Equity instruments measured at fair value through profit or loss | 102,182 | 115,581 | 101,993 | 115,392 |
| Carrying amount of financial liabilities | | | | |
| Measured at amortised cost | 20,903,822 | 21,058,250 | 12,693,938 | 11,529,781 |

Debt instruments measured at amortised cost include; trade debtors and other debtors. Financial liabilities measured at amortised cost consists of total creditors excluding corporation tax, other tax and social security and accruals and deferred income.

19 Stocks

| | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|-------------------------------------|--------------------|------------|----------------------|-----------|
| Raw materials and consumables | 126,523 | 176,293 | 121,777 | 172,778 |
| Finished goods and goods for resale | 12,401,153 | 13,303,765 | 861,983 | 762,602 |
| | 12,527,676 | 13,480,058 | 983,760 | 935,380 |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

20 Debtors

| | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|---|--------------------|-------------------|----------------------|-------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 7,409,633 | 7,708,364 | 222,125 | 104,786 |
| Amounts due from subsidiary undertakings | - | - | 7,042,352 | 4,304,552 |
| Other debtors | 14,312,243 | 9,778,012 | 7,888,992 | 7,102,688 |
| Prepayments and accrued income | 661,506 | 837,510 | 101,227 | 343,258 |
| | <u>22,383,382</u> | <u>18,323,886</u> | <u>15,254,696</u> | <u>11,855,284</u> |
| Amounts falling due after one year: | | | | |
| Other debtors | 453,750 | 488,750 | 135,000 | 155,000 |
| Deferred tax asset (note 26) | 571,400 | 238,730 | 516,500 | 169,320 |
| | <u>1,025,150</u> | <u>727,480</u> | <u>651,500</u> | <u>324,320</u> |
| Total debtors | <u>23,408,532</u> | <u>19,051,366</u> | <u>15,906,196</u> | <u>12,179,604</u> |

21 Creditors: amounts falling due within one year

| | Notes | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|------------------------------------|-------|--------------------|-------------------|----------------------|------------------|
| Bank loans and overdrafts | 23 | 3,243,297 | 1,704,074 | 1,900,000 | 400,000 |
| Obligations under finance leases | 24 | 95,212 | 95,212 | - | - |
| Payments received on account | (48) | - | - | (48) | - |
| Trade creditors | | 4,477,085 | 5,157,094 | 75,386 | 131,683 |
| Amounts owed to group undertakings | | - | - | 1,149 | 33,329 |
| Corporation tax payable | | 424,662 | 836,352 | 149,642 | 180,186 |
| Other taxation and social security | | 842,782 | 1,381,198 | 195,279 | 172,442 |
| Other creditors | | 3,707,759 | 3,723,110 | 3,449,647 | 3,409,041 |
| Accruals and deferred income | | 1,279,292 | 1,805,353 | 480,304 | 468,228 |
| | | <u>14,070,041</u> | <u>14,702,393</u> | <u>6,251,359</u> | <u>4,794,909</u> |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

22 Creditors: amounts falling due after more than one year

| | Notes | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|----------------------------------|-------|--------------------|------------------|----------------------|------------------|
| Bank loans and overdrafts | 23 | 7,884,318 | 8,261,288 | 6,787,500 | 7,087,500 |
| Obligations under finance leases | 24 | 216,907 | 312,119 | - | - |
| | | <u>8,101,225</u> | <u>8,573,407</u> | <u>6,787,500</u> | <u>7,087,500</u> |

23 Loans and overdrafts

| | | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|-------------------------|--|--------------------|------------------|----------------------|------------------|
| Bank loans | | 9,861,288 | 8,738,258 | 8,687,500 | 7,487,500 |
| Bank overdrafts | | 1,266,327 | 1,227,104 | - | - |
| | | <u>11,127,615</u> | <u>9,965,362</u> | <u>8,687,500</u> | <u>7,487,500</u> |
| Payable within one year | | 3,243,297 | 1,704,074 | 1,900,000 | 400,000 |
| Payable after one year | | <u>7,884,318</u> | <u>8,261,288</u> | <u>6,787,500</u> | <u>7,087,500</u> |

The bank loans and overdrafts are secured on specific group freehold properties.

24 Finance lease obligations

| | | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|---|--|--------------------|----------------|----------------------|-----------|
| Future minimum lease payments due under finance leases: | | | | | |
| Within one year | | 95,212 | 95,212 | - | - |
| In two to five years | | 216,907 | 312,119 | - | - |
| | | <u>312,119</u> | <u>407,331</u> | <u>-</u> | <u>-</u> |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

25 Provisions for liabilities

| | Notes | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|--------------------------|-------|--------------------|------------------|----------------------|---------------|
| Swap arrangements | | 335,065 | 376,887 | - | - |
| Deferred tax liabilities | 26 | 948,926 | 938,130 | 32,200 | 81,790 |
| | | <u>1,283,991</u> | <u>1,315,017</u> | <u>32,200</u> | <u>81,790</u> |

Movement on provisions other than deferred tax liabilities:

| Group | £ |
|-----------------------|----------------|
| At 1 January 2019 | 376,887 |
| Reversal of provision | (41,822) |
| At 31 December 2019 | <u>335,065</u> |

Swap Arrangements

The interest on part of the Groups debts is hedged under a swap arrangement until 2022. One of the two swap arrangements expired during the year. The financial liability arising from the remaining arrangement at the year end is reflected within provisions at fair value. Movements in the fair value during the year are included in the Profit and Loss Account (see note 10).

26 Deferred taxation

Deferred tax assets and liabilities are offset where the Group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

| | Liabilities 2019 £ | Liabilities 2018 £ | Assets 2019 £ | Assets 2018 £ |
|--------------------------------|--------------------------|--------------------------|---------------------|---------------------|
| Group | | | | |
| Accelerated capital allowances | 622,226 | 669,730 | 4,400 | 8,800 |
| Retirement benefit obligations | - | - | 516,500 | 169,320 |
| Investment properties | 326,700 | 268,400 | - | - |
| Swap provisions | - | - | 50,500 | 60,610 |
| | <u>948,926</u> | <u>938,130</u> | <u>571,400</u> | <u>238,730</u> |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

26 Deferred taxation

(Continued)

| | Liabilities 2019 £ | Liabilities 2018 £ | Assets 2019 £ | Assets 2018 £ |
|---------------------------------------|--------------------------|--------------------------|-----------------------------|-------------------------------|
| Company | | | | |
| Accelerated capital allowances | 25,700 | 70,990 | - | - |
| Retirement benefit obligations | - | - | 516,500 | 169,320 |
| Investment properties | 6,500 | 10,800 | - | - |
| | <u>32,200</u> | <u>81,790</u> | <u>516,500</u> | <u>169,320</u> |
| | | | Group 2019 £ | Company 2019 £ |
| Movements in the year: | | | | |
| Liability/(Asset) at 1 January 2019 | | | 699,400 | (87,530) |
| Charge/(credit) to profit or loss | | | 25,306 | (49,590) |
| Credit to other comprehensive income | | | (347,180) | (347,180) |
| | | | <u>377,526</u> | <u>(484,300)</u> |
| Liability/(Asset) at 31 December 2019 | | | | |

27 Retirement benefit schemes

| | 2019 £ | 2018 £ |
|--|----------------|----------------|
| Defined contribution schemes | | |
| Charge to profit and loss in respect of defined contribution schemes | <u>352,918</u> | <u>318,525</u> |

Defined contribution pension schemes are operated for all qualifying employees. The assets of the schemes are held separately from those of the Group in independently administered funds.

Defined benefit scheme

The Group operates a pension scheme providing benefits based on final salary pensionable pay, known as the Green Group Retirement Benefit Plan. The scheme has been closed to new entrants since 31 July 2001. Since then the Group has offered a stakeholder scheme which operates on a defined contribution basis as does the ongoing scheme for the Group's directors. All of the schemes are funded by payments and contributions to separately administered trust funds.

The Green Group Retirement Benefits Plan is a UK defined benefit scheme. A trustee funding valuation was carried out at 1 August 2016 and updated to 31 December 2019 by a qualified independent actuary.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

27 Retirement benefit schemes

(Continued)

Key assumptions

| | 2019 % | 2018 % |
|--|-----------|-----------|
| Discount rate | 2.6 | 3.55 |
| Expected rate of increase of pensions in payment | 3.4 | 3.6 |
| Expected rate of salary increases | 2.3 | 2.3 |
| Deferred revaluation (CPI) | 2.5 | 2.7 |
| Retail price inflation (RPI) | 3.4 | 3.6 |
| Expected return on assets | 2.6 | 3.55 |

Mortality assumptions

Assumed life expectations on retirement at age 65:

| | 2019 Years | 2018 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 21.8 | 22.2 |
| - Females | 24.1 | 24.1 |
| Retiring in 20 years | | |
| - Males | 23.2 | 23.9 |
| - Females | 25.5 | 25.9 |

Amounts recognised in the profit and loss account

| | 2019 £ | 2018 £ |
|---|-----------|-----------|
| Current service cost | 356,000 | 429,000 |
| Net interest on defined benefit liability/(asset) | 27,000 | 65,000 |
| Other costs and income | - | 894,000 |
| Total costs | 383,000 | 1,388,000 |

Amounts taken to other comprehensive income

| | 2019 £ | 2018 £ |
|---|-------------|-------------|
| Actual return on scheme assets | 1,454,000 | (163,000) |
| Less: calculated interest element | (1,157,000) | (1,024,000) |
| Return on scheme assets excluding interest income | 297,000 | (1,187,000) |
| Actuarial changes related to obligations | (2,675,000) | 3,062,000 |
| Total income/(costs) | (2,378,000) | 1,875,000 |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

27 Retirement benefit schemes

(Continued)

The amounts included in the balance sheet arising from obligations in respect of defined benefit plans are as follows:

| | Group & Company | |
|--|----------------------------|--------------|
| | 2019 | 2018 |
| | £ | £ |
| Present value of defined benefit obligations | 36,866,000 | 33,718,000 |
| Fair value of plan assets | (33,887,000) | (32,722,000) |
| Deficit in scheme | 2,979,000 | 996,000 |
| Total liability recognised | 2,979,000 | 996,000 |

Movements in the present value of defined benefit obligations

| | Group & Company 2019 | Group & Company 2018 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| | £ | £ |
| Liabilities at 1 January | 33,718,000 | 35,438,000 |
| Current service cost | 356,000 | 429,000 |
| Benefits paid | (1,071,000) | (1,074,000) |
| Contributions from scheme members | 4,000 | 4,000 |
| Actuarial gains and losses | 2,675,000 | (3,062,000) |
| Interest cost | 1,184,000 | 1,089,000 |
| GMP equalisation | - | 894,000 |
| At 31 December | 36,866,000 | 33,718,000 |

Movements in the fair value of plan assets

| | Group & Company 2019 | Group & Company 2018 |
|--|-------------------------------------|-------------------------------------|
| | £ | £ |
| Fair value of assets at 1 January | 32,722,000 | 33,173,000 |
| Interest income | 1,157,000 | 1,024,000 |
| Return on plan assets (excluding amounts included in net interest) | 297,000 | (1,187,000) |
| Benefits paid | (1,071,000) | (1,074,000) |
| Contributions by the employer | 778,000 | 782,000 |
| Contributions by scheme members | 4,000 | 4,000 |
| At 31 December | 33,887,000 | 32,722,000 |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

27 Retirement benefit schemes

(Continued)

Fair value of plan assets at the reporting period end

| | Group & Company | |
|--------------------|----------------------------|-------------------|
| | 2019 | 2018 |
| | £ | £ |
| Equity instruments | 7,279,000 | 5,905,000 |
| Property | 4,615,000 | 6,319,000 |
| Bonds | 16,752,000 | 14,556,000 |
| Annuities | 4,885,000 | 5,198,000 |
| Cash | 356,000 | 744,000 |
| | <u>33,887,000</u> | <u>32,722,000</u> |

28 Share capital

| | Group and company | |
|--|--------------------------|----------------|
| | 2019 | 2018 |
| | £ | £ |
| Ordinary share capital | | |
| Issued and fully paid | | |
| 557,893 Ordinary A shares of £1 each | 557,893 | 557,893 |
| 1,061,664 Ordinary B shares of 5p each | 53,083 | 53,083 |
| | <u>610,976</u> | <u>610,976</u> |

Each share is entitled to one vote and a dividend proportional to its nominal value.

29 Reserves

Fair value reserve

The fair value reserve has arisen on the revaluation of investment properties.

30 Operating lease commitments

At the reporting end date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | Group | | Company | |
|----------------------------|------------------|------------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Within one year | 688,833 | 540,484 | 14,404 | 18,304 |
| Between two and five years | 2,206,732 | 866,807 | 39,375 | 39,375 |
| In over five years | 892,500 | 380,625 | 367,500 | 380,625 |
| | <u>3,788,065</u> | <u>1,787,916</u> | <u>421,279</u> | <u>438,304</u> |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

30 Operating lease commitments

(Continued)

Lease payments recognised as an expense for the Group totalled £508,802 (2018: £641,372)

31 Financial commitments, guarantees and contingent liabilities

In respect of the unincorporated joint venture, Sengate Limited is jointly and severally liable for the other party's share of the joint venture liabilities as at 31 December 2019 of £327,466 (2018: £406,773).

A charge over one of the Group's properties has been granted to the Green Group Retirement Benefit Plan to help secure any deficit which was £2,979,000 at 31 December 2019 (2018: deficit of £996,000).

32 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | Group 2019 £ | 2018 £ | Company 2019 £ | 2018 £ |
|--|--------------------|-----------|----------------------|-----------|
| Contracted for but not provided in the financial statements: | | | | |
| Acquisition of property, plant and equipment | 1,216,660 | 512,510 | - | - |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

33 Related party transactions

Transactions with related parties

Astrea Limited, Pinhill Limited and Ednam Estates Limited are subsidiary undertakings of Vertex Holdings Limited, a company under the control of the directors of the Group. Transactions and balances with these companies are:

Leasing charges payable by the Group £601,799 (2018: £361,668)

Management and other services £81,000 (2018: £81,000)

Balance due to the Group £13,047,155 (2018: £8,499,455)

R J H Green, P W Green, and H C E Green are also directors of Skeller Limited. Transactions and balances with Skeller Limited are:

Balance due by the Group £128,705 (2018: £178,968)

Mr P.W. Green, Mr G.R. Green, Mr H.C.E Green and Mr R.J.H. Green are designated members of Cooksbridge LLP. Transactions and balances with Cooksbridge LLP are:

Rent payable by the Group £137,200 (2018: £127,200)

Administrative and other services £682 (2018: £528)

Balance due to the Group £71,593 (2018: £Nil) repaid February 2020.

Mr R.J.H. Green is a director of Merchant Distribution Limited and was a director of Fortis Merchants Limited up to 21 September 2018. Transactions with these companies are:

Provision of administrative services £34,439 (2018: £31,044)

There was an amount of £155,000 (2018: £175,000) owed by Green Forest Renewables Ltd at the reporting end date. W R Green, a son of one of the directors is a majority owner of Green Forest Renewables Ltd.

Dividends totalling £272,880 (2018: £253,212) were paid to directors during the year.

The directors do not consider there to be any key management personnel other than themselves. Directors remuneration is disclosed in note 7.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

34 Cash generated from group operations

| | 2019 £ | 2018 £ |
|--|------------------|------------------|
| Profit for the year after tax | 4,341,903 | 6,200,613 |
| Adjustments for: | | |
| Taxation charged | 823,698 | 1,296,416 |
| Finance costs | 551,917 | 809,890 |
| Investment income | (383,905) | (316,099) |
| Loss on disposal of tangible fixed assets | 40,157 | 20,836 |
| Gain on disposal of investment property | (109,344) | - |
| Gain on disposal of intangible assets | (18,227) | - |
| Share of joint venture operating profit/loss | 23,083 | (1,391,073) |
| Amortisation and impairment of intangible assets | 113,597 | 221,336 |
| Depreciation and impairment of tangible fixed assets | 1,208,917 | 1,189,511 |
| Amounts written off investments | 834 | (445,095) |
| Pension scheme non-cash movement | (422,000) | 541,000 |
| Decrease in provisions | (41,822) | (307,470) |
| Movements in working capital: | | |
| Decrease in stocks | 952,382 | 160,377 |
| Decrease in debtors | 600,992 | 680,016 |
| Decrease in creditors | (1,759,886) | (3,681,722) |
| Cash generated from operations | 5,922,296 | 4,978,536 |

35 Analysis of changes in net debt - group

| | 1 January 2019 £ | Cash flows £ | Other non-cash changes £ | Market value movements £ | 31 December 2019 £ |
|----------------------------------|---------------------|-----------------|--------------------------------|--------------------------------|--------------------------|
| Cash at bank and in hand | 778,246 | (188,473) | - | - | 589,773 |
| Bank overdrafts | (1,227,104) | (39,223) | - | - | (1,266,327) |
| | (448,858) | (227,696) | - | - | (676,554) |
| Borrowings excluding overdrafts | (8,738,258) | (1,102,689) | - | (20,341) | (9,861,288) |
| Obligations under finance leases | (407,331) | 95,211 | 1 | - | (312,119) |
| | (9,594,447) | (1,235,174) | 1 | (20,341) | (10,849,961) |

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

36 Analysis of changes in net debt - company

| | 1 January 2019 | Cash flows | 31 December 2019 |
|---------------------------------|--------------------|--------------------|---------------------|
| | £ | £ | £ |
| Cash at bank and in hand | 687,325 | (128,255) | 559,070 |
| Borrowings excluding overdrafts | (7,487,500) | (1,200,000) | (8,687,500) |
| | <u>(6,800,175)</u> | <u>(1,328,255)</u> | <u>(8,128,430)</u> |

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