

Company registration number 00148350 (England and Wales)

J.H.& F.W.GREEN LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

J.H.& F.W.GREEN LIMITED

COMPANY INFORMATION

Directors	R J H Green P W Green H C E Green J Green S D Green F J Green S P Green J M Bowry
Secretary	R J H Green
Company number	00148350
Registered office	Sussex House Quarry Lane Chichester PO19 8PE
Auditor	BHP LLP 2 Rutland Park Sheffield S10 2PD

J.H.& F.W.GREEN LIMITED

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J.H. & F.W. GREEN LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

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 retail customers from depots across Sussex, Hampshire, Kent and Surrey.

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

The Group made two acquisitions of trading businesses in the year:

Covers acquired Wingham Timber & Mouldings Ltd ("Wingham"), a timber merchant based in Kent. This addition complements the existing activities of Covers and takes the overall number of depots to 15. Wingham also makes a range of distinct timber products and these are being rolled out to Covers other depots.

J.H. & F.W. Green acquired the majority stake in E.E. Olley & Sons Ltd, a specialist timber merchant providing hard to source timber specifications to the trade. This business has a distinctively different customer base to Covers and it will therefore remain a separate identity.

The Group also acquired further investment properties which have potential as future operational bases and continued to invest in premises, lorries and forklifts, buying electric wherever feasible to help with our long-term net zero ambitions. Our energy intensity (see the report below) reduced by 10% compared with 2021.

The construction sector returned to more normal levels after an enhanced period of demand on the back of changing consumer behaviours throughout the pandemic. The war in Ukraine led to significant increases in commodity and wholesale energy costs, which resulted in frequent and ongoing price rises from suppliers. This high inflationary environment meant Covers turnover increased, but its gross profit percentage suffered.

The Group undertook a major refinancing of its external debt in late 2022, which was used to part fund the trading and property acquisitions. An interest rate hedge was secured against part of this debt to reduce the risk of volatility over the coming years. The Group remains prudent in our approach to finance meaning we were, and continue to be, in a strong position to fulfil our financial obligations and pay our suppliers to terms while investing in the future of the business.

We have continued to be guided by our values (available on the website www.coversmerchants.co.uk) and always aim to protect and enhance our long-term reputation with all stakeholders.

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, gross margin and operating margin. With the prior year 2021 accounts being exceptional due to the high demand from retail customers in the pandemic, comparisons are also made against the last "normal" trading year of 2019 where appropriate.

The turnover of the Group increased by 7.8% versus prior year mainly due to Covers sales. There is also three months of income from the acquisitions. Rental income increased as the portfolio grew and had fewer voids.

Overall gross margin decreased to 32.1% (2019: 35.4%) with Covers not being able to fully pass on supplier price increases in a softening market.

Group operating profit decreased £3.3m versus the exceptional 2021 year but increased £1.5m from 2019 to £6.8m.

Net interest payable was slightly above prior year. The major capital expenditures did not take place until towards the end of 2022 so interest costs will be higher in 2023. Fair value of gains were £0.6m (2021: £0.8m), the majority of which related to investment property.

J.H.& F.W.GREEN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Fair review of the business (continued)

During the year several properties held in stock at their carrying value were sold to a group company to become investment properties, generating a £1.1m uplift when revalued. This is treated as an exceptional item in the accounts.

Profit before tax was £11.8m (£7.4m excluding the exceptional gain), versus £11.0m in 2021 and £5.2m in 2019. The tax charge was £6.6m as it included a one off £4.9m charge after reclassifying certain properties from stock to fixed assets. Tax is payable on the current fair value of the properties although most of the uplift has not been recognised in these accounts in accordance with UK Generally Accepted Accounting Practice. Reported profit after taxation was £5.2m (2019: £4.3m).

During the year, the Group continued its contribution to the local community, particularly to hospices across the region, by making charitable donations of £94,000 (2021: £90,000).

Other comprehensive income mainly comprises the actuarial gain on the Group's defined benefit pension plan ("the Plan") of £1.8m (2021: £6.6m). The actual return on scheme assets showed a loss of £3.1m, largely due to lower value of bond holdings as interest rates increased. This was more than offset by a large reduction in the present value of future obligations. This was predominantly due to a big change in the discount rate applied in the calculations which increased from 1.8% to 4.7%, triggered by significant increases in the yield on AA corporate bonds. This meant that technically the Plan was in considerable surplus (£11.1m) but this has not been recognised in the balance sheet as it is a notional surplus and any possible recovery is uncertain in amount and timing.

In 2022 the Plan's major investments continued to be shorter duration corporate bonds and global equities together with substantial investment in directly held property invested in industrial and trade counter units. The spread of assets held by the Plan has always been targeted at producing returns above the actuarial technical provisions with diversity to avoid excessive volatility. However, with the scheme now in surplus, at the time of writing the Group are actively seeking a "buy-out" which will secure and guarantee members' benefits with an insurance company. As such, the Plan's pooled fund assets have been invested in long duration corporate bond funds and the intention is to sell the properties, with the proceeds also invested in bonds. This de-risks the Plan's assets, against movements in the discounted value of its liabilities, and mimics what an insurance company require in a buy-out.

The company paid ordinary dividends of £1.25m, a slight increase from 2021. An exceptional £0.75m dividend was also distributed due to one-off profits on land sales within the year.

After movements relating to the Plan, revaluations and dividends, reserves have increased by £5.3m, of which £0.3m is attributable to non-controlling interests. Overall, the Group's balance sheet is in robust shape.

Cash generated from operations was £8.5m versus £7.1m in 2021 (2019: £5.9m). In 2021, the cash generated from the exceptional trading period was largely offset by a sharp increase in stocks. With supply chains returning to more normal levels in 2022, there wasn't a requirement to stockpile so stocks returned to normal levels. The other movements in debtors and creditors offset each other. Interest payments increased slightly as the new external debt was drawn down towards the end of the year and tax paid increased with the one off £4.9m payment explained above. The main investing activity was the £12m spent on the two subsidiaries. These were part funded from the new term loan and flexible credit facility. Even with this new facility, the Group has the capacity to borrow more funds if needed, whilst still maintaining its prudent approach to financing.

At the time of writing, the UK economy is experiencing a period of high inflation. To try to reduce inflation, interest rates continue to rise and consumers' disposable incomes are squeezed with higher taxes, mortgage payments and inflation outstripping pay increases. Consequently sales volumes have cooled. In a highly competitive industry, builders merchants are having to accept lower margins to win and retain business.

Covers' excellent and long-standing relationships with its staff, and many customers built up over decades, continue to be of paramount importance. During 2022 we celebrated Covers 175th anniversary with all these groups including taking our staff and their families for an exclusive evening at Thorpe Park.

J.H.& F.W.GREEN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 our continued investment in the business and its underlying financial and operational strength will enable it to continue to succeed in these challenging markets and be well placed to take advantage of future opportunities for growth.

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

Research and development

Covers launched a new and improved website in 2021 and have continued to invest in developing its on-line ordering and sales capability. Work has also commenced on exploring a replacement POS system.

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 and in 1946 control passed to Greens which continues to run it today. We're proud of the ways in which, over 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 Southeast while also providing excellent service to its larger corporate and retail customers. In a crowded market, dominated by large corporate entities including UK and European plcs and several private equity backed groups, 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 improve our commercial and residential property for letting. This includes investing in solar PV and heat pumps where appropriate as well as improving the energy performance of our buildings.

The Group makes strategic decisions based on long-term objectives. This has meant significant investment in capital, including acquiring other 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.

J.H.& F.W.GREEN LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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.

On behalf of the board

J Green
Director
1 September 2023

S D Green
Director

J.H.& F.W.GREEN LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

Results and dividends

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £2,021,197.

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

(Resigned 1 February 2022)

H C E Green

J Green

R H Green

(Resigned 1 February 2022)

S D Green

F J Green

S P Green

J M Bowry

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.

Employee involvement

The group continues to involve staff in the decision-making process and communicates regularly with them during the period. Their involvement in the group's performance is further encouraged with employee bonus schemes. The group's aim for all members of staff and applicants for employment is to fit the qualifications, aptitude and ability of each individual to the appropriate job, and to provide equal opportunity, regardless of age, gender, sexual orientation, religion or ethnic origin.

Auditor

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

J.H.& F.W.GREEN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Energy and carbon report

For some years, one of the Group's key strategic priorities has been environmental sustainability. We procure our timber from sustainable sources and have invested in Solar PV on most of our depot roofs. We aim to eliminate or recycle waste materials and continue to invest in lower energy consumption lighting. We have maintained an eco-specialist department since 2007 to help our customers build more sustainably. Covers is procuring electric (rather than diesel) powered forklift trucks and electric/hybrid cars and has also continued to invest in lower emission Euro 6 lorries. At the time of writing over 50% of our forklift fleet are now fully electric and 100% of designated company cars are either hybrid or fully electric.

In the year 1,063,248 (2021: 1,008,131) kwh renewable energy was generated through Solar PV, of which 474,371 (2021: 486,738) kwh was used and 588,877 (2021: 521,392) kwh exported.

Energy Use (All UK)	2022		2021	
	Kwh	CO2e (tonnes)	Kwh	CO2e (tonnes)
Electricity (Gross)	2,178,270	421	2,261,924	480
Less: Exported	(588,877)	(114)	(521,392)	(111)
Less: Renewable energy used	(474,371)	(92)	(486,738)	(103)
Used electricity (Net)	1,115,022	216	1,253,793	265
Gas	10,201	2	18,061	3
Transport	9,703,661	2,516	9,637,340	2,549
Total (net)	10,828,884	2,733	10,909,195	2,818

Intensity ratio

Emissions per £1m turnover	27.48	30.56
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In preparing these statistics, we have followed the 2019 HM Government Environment Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 & 2022 UK Government Conversion Factors for Company Reporting. Copies of the conversion factors used are provided in the "UK Gov Carbon Conversion Factors". UK Government carbon conversion factors for reporting spreadsheets available at <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>.

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.

J.H.& F.W.GREEN LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

J Green
Director

S D Green
Director

1 September 2023

J.H.& F.W.GREEN LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 which comprise 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 2022 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's 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.

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 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.

J.H.& F.W.GREEN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of such regulations, including fraud. We designed audit procedures to respond to the risk, recognizing that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error.

We focused on laws and regulations relevant to the Group which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, directors and those staff with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, and reviewing legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

J.H.& F.W.GREEN LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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

We focused on laws and regulations relevant to the company which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, directors and those staff with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, and reviewing legal expenses. There are inherent limitations in the audit procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

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

20 September 2023

Chartered Accountants
Statutory Auditor

2 Rutland Park
Sheffield
S10 2PD

J.H.& F.W.GREEN LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	99,464,685	92,231,080
Cost of sales		(67,585,776)	(57,296,691)
Gross profit		31,878,909	34,934,389
Distribution costs		(14,002,100)	(13,601,545)
Administrative expenses		(12,857,964)	(13,759,401)
Other operating income		1,972,633	1,843,597
Share of operating profit in Joint Venture	17	(188,819)	731,009
Operating profit	5	6,802,659	10,148,049
Interest receivable and similar income	9	348,196	270,406
Interest payable and similar expenses	10	(348,098)	(278,270)
Amounts written off investments	11	569,198	888,018
Exceptional item	4	4,426,800	-
Profit before taxation		11,798,755	11,028,203
Tax on profit	12	(6,560,946)	(2,758,073)
Profit for the financial year	29	5,237,809	8,270,130
Other comprehensive income			
Actuarial gain on defined benefit pension schemes		1,828,000	6,612,000
Cash flow hedges gain arising in the year		452,320	-
Tax relating to other comprehensive income		(521,580)	(1,107,320)
Total comprehensive income for the year		6,996,549	13,774,810
Profit for the financial year is attributable to:			
- Owners of the parent company		5,228,815	8,270,130
- Non-controlling interests		8,994	-
		5,237,809	8,270,130
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		6,987,555	13,774,810
- Non-controlling interests		8,994	-
		6,996,549	13,774,810

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

J.H.& F.W.GREEN LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021 as restated	
	Notes	£	£	£	£
Fixed assets					
Goodwill	14		8,092,838		657,174
Tangible assets	15		38,877,279		34,566,492
Investment property	16		19,232,786		8,300,880
Investments	17		4,358,606		4,576,261
			<u>70,561,509</u>		<u>48,100,807</u>
Current assets					
Stocks	21	17,802,998		18,055,745	
Debtors	20	16,648,784		22,540,396	
Cash at bank and in hand		3,530,590		641,342	
			<u>37,982,372</u>		<u>41,237,483</u>
Creditors: amounts falling due within one year	22	(14,763,283)		(19,986,566)	
Net current assets			<u>23,219,089</u>		<u>21,250,917</u>
Total assets less current liabilities			<u>93,780,598</u>		<u>69,351,724</u>
Creditors: amounts falling due after more than one year	23		(20,153,982)		(475,076)
Provisions for liabilities					
Deferred tax liability	26	3,239,697		2,152,140	
			<u>(3,239,697)</u>		<u>(2,152,140)</u>
Net assets excluding pension liability			<u>70,386,919</u>		<u>66,724,508</u>
Defined benefit pension liability	27		-		(1,634,000)
Net assets			<u><u>70,386,919</u></u>		<u><u>65,090,508</u></u>
Capital and reserves					
Called up share capital	28		610,976		610,976
Revaluation reserve	29		4,321,004		5,241,637
Hedging reserve	29		339,240		-
Profit and loss reserves	29		64,785,646		59,237,895
Equity attributable to owners of the parent company			<u>70,056,866</u>		<u>65,090,508</u>
Non-controlling interests			<u>330,053</u>		<u>-</u>
			<u><u>70,386,919</u></u>		<u><u>65,090,508</u></u>

J.H.& F.W.GREEN LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 1 September 2023 and are signed on its behalf by:

J Green
Director

S D Green
Director

Company registration number 00148350 (England and Wales)

J.H.& F.W.GREEN LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	15		3,793,049		2,954,770
Investment property	16		1,746,604		2,057,928
Investments	17		10,379,768		4,035,494
			<u>15,919,421</u>		<u>9,048,192</u>
Current assets					
Stocks	21	823,908		1,500,433	
Debtors falling due after more than one year	20	7,168,905		562,725	
Debtors falling due within one year	20	17,580,108		15,294,084	
Cash at bank and in hand		<u>2,697,889</u>		<u>567,876</u>	
		28,270,810		17,925,118	
Creditors: amounts falling due within one year	22	<u>(5,532,359)</u>		<u>(7,672,834)</u>	
Net current assets			22,738,451		10,252,284
Total assets less current liabilities			<u>38,657,872</u>		<u>19,300,476</u>
Creditors: amounts falling due after more than one year	23		(19,000,000)		-
Provisions for liabilities					
Deferred tax liability	26	<u>200,080</u>	<u>(200,080)</u>	<u>138,400</u>	<u>(138,400)</u>
Net assets excluding pension liability			19,457,792		19,162,076
Defined benefit pension liability	27		-		(1,634,000)
Net assets			<u>19,457,792</u>		<u>17,528,076</u>
Capital and reserves					
Called up share capital	28		610,976		610,976
Revaluation reserve	29		484,375		552,868
Hedging reserve	29		339,240		-
Profit and loss reserves	29		<u>18,023,201</u>		<u>16,364,232</u>
Total equity			<u>19,457,792</u>		<u>17,528,076</u>

As permitted by section 408 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 £2,192,173 (2021 - £3,432,305).

J.H.& F.W.GREEN LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 1 September 2023 and are signed on its behalf by:

J Green
Director

S D Green
Director

Company registration number 00148350 (England and Wales)

J.H.& F.W.GREEN LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Revaluation reserve	Hedging reserve	Profit and loss reserves	Total non-controlling interest	controlling interest	Total
Notes	£	£	£	£	£	£	£
As restated for the period ended 31 December 2021:							
Balance at 1 January 2021	610,976	6,455,855	-	47,831,939	54,898,770	-	54,898,770
Capital uplift payment	-	-	-	(1,346,899)	(1,346,899)	-	(1,346,899)
As restated	610,976	6,455,855	-	46,485,040	53,551,871	-	53,551,871
Year ended 31 December 2021:							
Profit for the year	-	-	-	8,270,130	8,270,130	-	8,270,130
Other comprehensive income:							
Actuarial gains/(losses) on defined benefit plans	-	-	-	6,612,000	6,612,000	-	6,612,000
Tax relating to other comprehensive income	-	-	-	(1,107,320)	(1,107,320)	-	(1,107,320)
Total comprehensive income for the year	-	-	-	13,774,810	13,774,810	-	13,774,810
Dividends	-	-	-	(2,236,173)	(2,236,173)	-	(2,236,173)
Transfers	-	(1,214,218)	-	1,214,218	-	-	-
Balance at 31 December 2021	610,976	5,241,637	-	59,237,895	65,090,508	-	65,090,508

J.H.& F.W.GREEN LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Revaluation reserve	Hedging reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
Notes	£	£	£	£	£	£	£
Year ended 31 December 2022:							
Profit for the year	-	-	-	5,228,815	5,228,815	8,994	5,237,809
Other comprehensive income:							
Actuarial gains/(losses) on defined benefit plans	-	-	-	1,828,000	1,828,000	-	1,828,000
Cash flow hedges gains arising in the year	-	-	452,320	-	452,320	-	452,320
Tax relating to other comprehensive income	-	-	(113,080)	(408,500)	(521,580)	-	(521,580)
Total comprehensive income for the year	-	-	339,240	6,648,315	6,987,555	8,994	6,996,549
Dividends	-	-	-	(2,021,197)	(2,021,197)	-	(2,021,197)
Transfers	-	448,526	-	(448,526)	-	-	-
Acquisition of subsidiary	-	-	-	-	-	321,059	321,059
Other movements	-	(1,369,159)	-	1,369,159	-	-	-
Balance at 31 December 2022	610,976	4,321,004	339,240	64,785,646	70,056,866	330,053	70,386,919

J.H.& F.W.GREEN LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Revaluation reserve £	Hedging reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2021:						
Balance at 1 January 2021		610,976	40,579	-	10,175,709	10,827,264
Year ended 31 December 2021:						
Profit for the year		-	-	-	3,432,305	3,432,305
Other comprehensive income:						
Actuarial gains on defined benefit plans		-	-	-	6,612,000	6,612,000
Deferred tax relating to other comprehensive income		-	-	-	(1,107,320)	(1,107,320)
Total comprehensive income		-	-	-	8,936,985	8,936,985
Dividends	13	-	-	-	(2,236,173)	(2,236,173)
Transfers		-	512,289	-	(512,289)	-
Balance at 31 December 2021		610,976	552,868	-	16,364,232	17,528,076
Year ended 31 December 2022:						
Profit for the year		-	-	-	2,192,173	2,192,173
Other comprehensive income:						
Actuarial gains on defined benefit plans		-	-	-	1,828,000	1,828,000
Cash flow hedges gains		-	-	452,320	-	452,320
Deferred tax relating to other comprehensive income		-	-	(113,080)	(408,500)	(521,580)
Total comprehensive income		-	-	339,240	3,611,673	3,950,913
Dividends	13	-	-	-	(2,021,197)	(2,021,197)
Transfers		-	(68,493)	-	68,493	-
Balance at 31 December 2022		610,976	484,375	339,240	18,023,201	19,457,792

J.H.& F.W.GREEN LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	as restated	£
Cash flows from operating activities					
Cash generated from operations	35	8,494,943		7,110,503	
Interest paid		(318,098)		(181,270)	
Income taxes paid		(5,672,264)		(2,405,537)	
Net cash inflow from operating activities		2,504,581		4,523,696	
Investing activities					
Purchase of subsidiaries		(11,893,811)		-	
Purchase of tangible fixed assets		(629,539)	(1,393,327)		
Proceeds on disposal of tangible fixed assets		1,936,972	91,967		
Purchase of investment property		(6,103,871)	-		
Transfer of fixed asset from stock		(941,035)	-		
Interest received		347,097	270,187		
Other income received from investments		1,099	219		
Net cash used in investing activities		(17,283,088)		(1,030,954)	
Financing activities					
Movement in swap provision		-	93,977		
Drawdown of new bank loans	22,300,000		-		
Repayment of bank loans	(2,000,000)		(4,687,500)		
Payment of finance leases obligations	(404,518)		(331,073)		
Dividends paid to equity shareholders	(2,021,197)		(2,236,173)		
Net cash generated from/(used in) financing activities		17,874,285		(7,160,769)	
Net increase/(decrease) in cash and cash equivalents		3,095,778		(3,668,027)	
Cash and cash equivalents at beginning of year		434,812		4,102,839	
Cash and cash equivalents at end of year		3,530,590		434,812	
Relating to:					
Cash at bank and in hand		3,530,590		641,342	
Bank overdrafts included in creditors payable within one year		-		(206,530)	

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 Sussex House, Quarry Lane, Chichester, PO19 8PE.

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 financial instruments not measured at fair value; 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 section 408 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 £2,192,173 (2021 - £3,432,305).

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 2022.

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 2022

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 15 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
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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
Land and buildings Leasehold	Over the term of the lease
Plant and machinery solar	4.1% straight line
Plant and machinery	8% 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 2022

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 2022

1 Accounting policies

(Continued)

1.11 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The group designates certain hedging instruments, including derivatives, embedded derivatives and non-derivatives, as either fair value hedgers or cash flow hedges. At inception of the hedge relationship, the company documents the relationship between the hedging instrument and the hedged item along with risk management objectives and strategy for undertaking various hedge transactions. At inception of the hedge and on an ongoing basis the company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

For derivatives that are designated and qualify as cash flow hedges, the effective portion of changes in the fair value of the hedge is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

Any gain or loss previously recognised in other comprehensive income is reclassified to profit or loss when the hedge relationship ends. This occurs when the hedging instrument expires or no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

1.12 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.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Investment property valuations

The investment property valuations are made by the directors annually based on rental yields and their knowledge of the market. Given the subjectivity of the valuations, there is a degree of estimation uncertainty involved

3 Turnover and other revenue

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

	2022	2021
	£	£
Turnover		
Sales of timber and building supplies	97,881,229	91,235,682
Farm sales	1,167,966	821,654
Other sales	415,490	173,744
	<u>99,464,685</u>	<u>92,231,080</u>

Turnover analysed by geographical market

	2022	2021
	£	£
United Kingdom	<u>99,464,685</u>	<u>92,231,080</u>

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Exceptional item

During the year, certain properties in stock were sold to a related company. This led to an exceptional profit on disposal in the financial year.

5 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	20,477	24,106
Depreciation of owned tangible fixed assets	541,006	1,196,627
Depreciation of tangible fixed assets held under finance leases	374,431	139,107
Profit on disposal of tangible fixed assets	(1,604,887)	(60,415)
Amortisation of intangible assets	218,258	113,598
Operating lease charges	723,697	695,771

6 Auditors' remuneration

	2022	2021
	£	£
Fees payable to the group's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	42,639	41,740
Audit of the company's subsidiaries	85,129	42,411
	127,768	84,151
For other services		
Taxation services	6,355	3,050

7 Employees

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

	2022	2021
	Number	Number
Office and management	103	114
Sales and operations	342	344
	445	458

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	12,885,118	14,423,518
Social security costs	1,427,071	1,475,405
Pension costs	1,196,423	1,132,539
	<u>15,508,612</u>	<u>17,031,462</u>

8 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	837,809	775,853
Company pension contributions to defined contribution schemes	10,593	23,830
	<u>848,402</u>	<u>799,683</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 3).

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

	2022 £	2021 £
Remuneration for qualifying services	214,204	210,946
Company pension contributions to defined contribution schemes	3,341	10,000
	<u>217,545</u>	<u>220,946</u>

9 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	149	-
Other interest income	346,948	270,187
Total interest revenue	<u>347,097</u>	<u>270,187</u>
Income from fixed asset investments		
Income from other fixed asset investments	1,099	219
Total income	<u>348,196</u>	<u>270,406</u>

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Interest payable and similar expenses

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	197,063	113,367
Other finance costs:		
Interest on finance leases and hire purchase contracts	36,490	21,611
Net interest on the defined benefit liability	30,000	97,000
Other interest	84,545	46,292
	<u>348,098</u>	<u>278,270</u>

11 Fair value gains/losses

	2022	2021
	£	£
Fair value gains/(losses) on financial instruments		
Change in the value of financial liabilities held at fair value	-	93,977
Other gains/(losses)		
Changes in the fair value of investment properties	598,035	765,826
Changes in fair value of investments	(28,837)	28,215
	<u>569,198</u>	<u>888,018</u>

12 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	5,519,820	1,854,417
Adjustments in respect of prior periods	168,639	(1,414)
	<u>5,688,459</u>	<u>1,853,003</u>
Deferred tax		
Origination and reversal of timing differences	872,487	905,070
	<u>6,560,946</u>	<u>2,758,073</u>

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Taxation

(Continued)

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:

	2022 £	2021 £
Profit before taxation	11,798,755	11,028,203
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	2,241,763	2,095,359
Tax effect of expenses that are not deductible in determining taxable profit	170,772	14,951
Tax effect of income not taxable in determining taxable profit	(130,978)	(271,589)
Change in unrecognised deferred tax assets	(222,413)	(4,740)
Adjustments in respect of prior years	168,639	(1,414)
Other permanent differences	(57,508)	32,680
Dividend income	(209)	-
Additional deduction for LRR	-	(51)
Changes in deferred tax rates	268,515	406,077
Amounts credited to the STRGL	-	42
Joint venture profit/(loss) taxable in the group	-	112,698
Chargeable gains	(315,137)	374,060
Other tax adjustments	94,299	-
Tax on transfer of profits from stock (see note below)	4,343,203	-
Taxation charge	6,560,946	2,758,073

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:

	2022 £	2021 £
Deferred tax arising on:		
Revaluation of financial instruments treated as cash flow hedges	113,080	-
Actuarial differences recognised as other comprehensive income	408,500	1,107,320
	521,580	1,107,320

The current tax charge includes £4,343,203 in relation to the reclassification of certain properties from stock to fixed assets. Tax is payable on the current fair value of the properties although the uplift has not been recognised in these accounts in accordance with UK Generally Accepted Accounting Practice.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Dividends

	2022	2021
	£	£
Recognised as distributions to equity holders:		
Dividends paid	2,021,197	2,236,173

14 Intangible fixed assets

Group	Goodwill	Website development	Total
	£	£	£
Cost			
At 1 January 2022	1,120,375	190,824	1,311,199
Additions - separately acquired	7,653,922	-	7,653,922
At 31 December 2022	8,774,297	190,824	8,965,121
Amortisation and impairment			
At 1 January 2022	463,201	190,824	654,025
Amortisation charged for the year	218,258	-	218,258
At 31 December 2022	681,459	190,824	872,283
Carrying amount			
At 31 December 2022	8,092,838	-	8,092,838
At 31 December 2021	657,174	-	657,174

The Company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Tangible fixed assets

Group	Land and buildings	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2022	21,831,768	9,856,844	6,421,393	2,715,977	5,901,360	46,727,342
Additions	13,173	-	633,829	121,390	1,102,283	1,870,675
Business combinations	-	1,761,541	496,308	4,959	263,794	2,526,602
Disposals	(78,073)	-	(313,511)	(16,106)	(189,758)	(597,448)
Transfers	941,035	-	-	-	-	941,035
At 31 December 2022	22,707,903	11,618,385	7,238,019	2,826,220	7,077,679	51,468,206
Depreciation and impairment						
At 1 January 2022	2,876,296	759,827	3,290,875	2,123,848	3,110,007	12,160,853
Depreciation charged in the year	134,985	131,086	452,566	124,618	72,182	915,437
Eliminated in respect of disposals	-	-	(300,736)	-	(184,627)	(485,363)
At 31 December 2022	3,011,281	890,913	3,442,705	2,248,466	2,997,562	12,590,927
Carrying amount						
At 31 December 2022	19,696,622	10,727,472	3,795,314	577,754	4,080,117	38,877,279
At 31 December 2021	18,955,472	9,097,017	3,130,518	592,129	2,791,353	34,566,489

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Tangible fixed assets

(Continued)

Company	Land and buildings £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 1 January 2022	2,578,288	574,729	140,669	3,293,686
Additions	13,173	14,021	7,625	34,819
Disposals	(78,073)	-	(6,375)	(84,448)
Transfers	941,035	-	-	941,035
At 31 December 2022	3,454,423	588,750	141,919	4,185,092
Depreciation and impairment				
At 1 January 2022	-	241,857	97,059	338,916
Depreciation charged in the year	-	43,460	13,465	56,925
Eliminated in respect of disposals	-	-	(3,798)	(3,798)
At 31 December 2022	-	285,317	106,726	392,043
Carrying amount				
At 31 December 2022	3,454,423	303,433	35,193	3,793,049
At 31 December 2021	2,578,288	332,872	43,610	2,954,770

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

	Group 2022 £	2021 £	Company 2022 £	2021 £
Plant and machinery	1,192,140	219,230	-	-
Motor vehicles	1,332,166	525,834	-	-
	2,524,306	745,064	-	-

Group freehold land and buildings with a carrying amount of £11,748,923 (2021 - £4,895,650) have been pledged to secure liabilities of the group.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Investment properties

	Group 2022 £	Company 2022 £
Fair value		
At 1 January 2019	8,300,880	2,057,928
Additions through external acquisition	6,103,871	-
Transfers from inventories	4,450,000	-
Disposals	(220,000)	(220,000)
Net gains or losses through fair value adjustments	598,035	(91,324)
	<u>19,232,786</u>	<u>1,746,604</u>
At 31 December 2022	<u>19,232,786</u>	<u>1,746,604</u>

The directors consider that the value of the investment properties at 31 December 2022 fairly reflects their current market value. All investment properties are available for let under operating leases.

17 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	18	-	-	10,269,701	3,896,590
Investments in joint ventures		4,248,110	4,436,928	-	-
Quoted investments		110,051	138,888	110,050	138,887
Unlisted investments		445	445	17	17
		<u>4,358,606</u>	<u>4,576,261</u>	<u>10,379,768</u>	<u>4,035,494</u>
Quoted investments included in above;					
Quoted investments carrying amount		<u>110,051</u>	<u>138,888</u>	<u>110,050</u>	<u>138,887</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 2022

17 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 2022	4,436,928	139,333	4,576,261
Valuation changes	(593,368)	(28,837)	(622,205)
Joint venture profit/(loss) share	404,550	-	404,550
At 31 December 2022	4,248,110	110,496	4,358,606
Carrying amount			
At 31 December 2022	4,248,110	110,496	4,358,606
At 31 December 2021	4,436,928	139,333	4,576,261

Movements in fixed asset investments Company

	Shares in group undertakings	Other investments other than loans	Total
	£	£	£
Cost or valuation			
At 1 January 2022	3,896,590	138,904	4,035,494
Additions	8,423,111	-	8,423,111
Valuation changes	-	(28,837)	(28,837)
At 31 December 2022	12,319,701	110,067	12,429,768
Impairment			
At 1 January 2022	-	-	-
Impairment losses	2,050,000	-	2,050,000
At 31 December 2022	2,050,000	-	2,050,000
Carrying amount			
At 31 December 2022	10,269,701	110,067	10,379,768
At 31 December 2021	3,896,590	138,904	4,035,494

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 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	Dormant	Ordinary	100.00
Orpington Timber & Building Supplies Limited	England and Wales	Dormant	Ordinary	100.00
Wingham Timber & Mouldings Limited	England and Wales	Dormant	Ordinary	100.00
E E Olley & Sons Limited	England and Wales	Timber and builders merchants	Ordinary	90.00
The Orchard Joinery Company Limited	England and Wales	Dormant	Ordinary	90.00

The Orchard Joinery Company Limited has taken advantage of the exemption from audit available to it under section 479A of the Companies Act 2006.

19 Financial instruments

	Group 2022 £	2021 £	Company 2022 £	2021 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	15,087,469	21,106,413	24,573,136	15,245,848
Equity instruments measured at cost less impairment	445	445	17	17
Equity instruments measured at fair value through profit or loss	110,051	138,888	110,050	138,887
Carrying amount of financial liabilities				
Measured at amortised cost	32,550,663	18,582,606	23,454,777	7,423,753

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.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	9,056,008	7,198,556	109,735	85,045
Corporation tax recoverable	69,799	-	-	-
Amounts owed by group undertakings	-	-	13,556,020	3,237,473
Other debtors	5,890,155	13,475,145	3,747,285	11,776,205
Prepayments and accrued income	1,206,731	970,650	167,068	195,361
	<u>16,222,693</u>	<u>21,644,351</u>	<u>17,580,108</u>	<u>15,294,084</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	7,046,280	-
Other debtors	396,375	435,875	122,625	147,125
	<u>396,375</u>	<u>435,875</u>	<u>7,168,905</u>	<u>147,125</u>
Deferred tax asset (note 26)	29,716	460,170	-	415,600
	<u>426,091</u>	<u>896,045</u>	<u>7,168,905</u>	<u>562,725</u>
Total debtors	<u>16,648,784</u>	<u>22,540,396</u>	<u>24,749,013</u>	<u>15,856,809</u>

21 Stocks

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Raw materials and consumables	831,275	129,350	234,831	124,322
Finished goods and goods for resale	16,971,723	17,926,395	589,077	1,376,111
	<u>17,802,998</u>	<u>18,055,745</u>	<u>823,908</u>	<u>1,500,433</u>

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Creditors: amounts falling due within one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	24	3,300,000	2,206,530	3,300,000	2,000,000
Obligations under finance leases	25	530,490	331,074	-	-
Trade creditors		5,407,733	5,311,682	177,286	127,423
Amounts owed to group undertakings		-	-	202,537	280,516
Corporation tax payable		1,024,808	375,451	793,818	77,958
Other taxation and social security		1,341,794	1,503,585	283,764	171,123
Other creditors		342,638	5,576,892	2,257	4,164,248
Accruals and deferred income		2,815,820	4,681,352	772,697	851,566
		<u>14,763,283</u>	<u>19,986,566</u>	<u>5,532,359</u>	<u>7,672,834</u>

23 Creditors: amounts falling due after more than one year

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans and overdrafts	24	19,000,000	-	19,000,000	-
Obligations under finance leases	25	1,153,982	475,076	-	-
		<u>20,153,982</u>	<u>475,076</u>	<u>19,000,000</u>	<u>-</u>

24 Loans and overdrafts

		Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans		22,300,000	2,000,000	22,300,000	2,000,000
Bank overdrafts		-	206,530	-	-
		<u>22,300,000</u>	<u>2,206,530</u>	<u>22,300,000</u>	<u>2,000,000</u>
Payable within one year		3,300,000	2,206,530	3,300,000	2,000,000
Payable after one year		19,000,000	-	19,000,000	-
		<u></u>	<u></u>	<u></u>	<u></u>

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

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

25 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	530,490	331,074	-	-
In two to five years	1,153,982	475,076	-	-
	<u>1,684,472</u>	<u>806,150</u>	<u>-</u>	<u>-</u>

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 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Group				
Accelerated capital allowances	1,745,617	1,062,390	-	-
Tax losses	-	(16,200)	-	-
Retirement benefit obligations	-	-	-	408,500
Capital gains	-	484,400	-	-
Investment properties	1,381,000	621,550	-	-
Cash flow hedge	113,080	-	-	-
Swap provisions	-	-	29,716	51,670
	<u>3,239,697</u>	<u>2,152,140</u>	<u>29,716</u>	<u>460,170</u>
	Liabilities 2022 £	Liabilities 2021 £	Assets 2022 £	Assets 2021 £
Company				
Accelerated capital allowances	23,000	30,230	-	-
Retirement benefit obligations	-	-	-	408,500
Investment properties	64,000	108,170	-	-
Cash flow hedge	113,080	-	-	-
Swap provisions	-	-	-	7,100
	<u>200,080</u>	<u>138,400</u>	<u>-</u>	<u>415,600</u>

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26	Deferred taxation	(Continued)	
		Group	Company
		2022	2022
		£	£
	Movements in the year:		
	Liability/(Asset) at 1 January 2022	1,691,970	(277,200)
	Charge/(credit) to profit or loss	872,487	(44,300)
	Charge to other comprehensive income	521,580	521,580
	Business combinations	123,944	-
	Liability at 31 December 2022	3,209,981	200,080

27	Retirement benefit schemes	2022	2021
		£	£
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	287,504	265,774

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 - group and company

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 2022 and updated to 31 December 2022 by a qualified independent actuary.

	2022	2021
<i>Key assumptions</i>	%	%
Discount rate	4.70	1.80
Expected rate of increase of pensions in payment	2.90	3.40
Expected rate of salary increases	1.85	2.40
Deferred revaluation (CPI)	2.90	2.75
Retail price inflation (RPI)	3.20	3.45
Expected return on assets	4.70	1.80

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Retirement benefit schemes (Continued)

<i>Mortality assumptions</i>	2022	2021
	Years	Years
Assumed life expectations on retirement at age 65:		
Retiring today		
- Males	21.9	21.9
- Females	24.3	24.3
	<hr/>	<hr/>
Retiring in 20 years		
- Males	23.2	23.3
- Females	25.7	25.8
	<hr/>	<hr/>

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

Group and company	2022	2021
	£	£
Present value of defined benefit obligations	27,124,000	43,054,000
Fair value of plan assets	(38,237,000)	(41,420,000)
	<hr/>	<hr/>
(Surplus)/deficit in scheme	(11,113,000)	1,634,000
Restriction on scheme assets	11,113,000	-
	<hr/>	<hr/>
Total liability recognised	-	1,634,000
	<hr/>	<hr/>

The net pension surplus of £11,113,000, assessed in accordance with FRS 102, is not recognised in the balance sheet because the surplus is a notional surplus and any possible recovery by the company is uncertain in amount and timing.

Group and company	2022	2021
<i>Amounts recognised in the profit and loss account</i>	£	£
Current service cost	491,000	518,000
Net interest on net defined benefit liability/(asset)	30,000	97,000
	<hr/>	<hr/>
Total costs	521,000	615,000
	<hr/>	<hr/>

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Retirement benefit schemes (Continued)

Group and company	2022	2021
<i>Amounts taken to other comprehensive income</i>	£	£
Actual return on scheme assets	2,373,000	(4,647,000)
Less: calculated interest element	739,000	447,000
Return on scheme assets excluding interest income	3,112,000	(4,200,000)
Actuarial changes related to obligations	(16,053,000)	(2,412,000)
Effect of changes in the amount of surplus that is not recoverable	11,113,000	-
Total costs/(income)	(1,828,000)	(6,612,000)

Group and company	2022
<i>Movements in the present value of defined benefit obligations</i>	£
Liabilities at 1 January 2022	43,054,000
Current service cost	491,000
Benefits paid	(1,140,000)
Contributions from scheme members	3,000
Actuarial gains and losses	(16,053,000)
Interest cost	769,000
At 31 December 2022	27,124,000

Group and company	2022
<i>Movements in the fair value of plan assets</i>	£
Fair value of assets at 1 January 2022	41,420,000
Interest income	739,000
Return on plan assets (excluding amounts included in net interest)	(3,112,000)
Benefits paid	(1,140,000)
Contributions by the employer	327,000
Contributions by scheme members	3,000
At 31 December 2022	38,237,000

The actual return on plan assets was £2,373,000 (2021 - £4,647,000).

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Retirement benefit schemes (Continued)

Group and company	2022	2021
<i>Fair value of plan assets at the reporting period end</i>	£	£
Equity instruments	11,933,000	13,018,000
Property	8,675,000	7,630,000
Bonds	13,934,000	15,537,000
Annuities	2,875,000	4,543,000
Cash	820,000	692,000
	<u>38,237,000</u>	<u>41,420,000</u>

28 Share capital

	Group and company	
	2022	2021
	£	£
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.

Hedging reserve

The hedging reserve arises from the change in fair value of the hedging instrument net of deferred tax.

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 2022 £	2021 £	Company 2022 £	2021 £
Within one year	830,890	700,768	20,729	20,729
Between two and five years	1,280,660	1,246,191	55,035	62,639
In over five years	386,939	748,125	315,000	328,125
	<u>2,498,489</u>	<u>2,695,084</u>	<u>390,764</u>	<u>411,493</u>

31 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Contracted for but not provided in the financial statements:				
Acquisition of property, plant and equipment	<u>1,033,815</u>	<u>1,665,696</u>	<u>-</u>	<u>-</u>

32 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 2022 of £1,367,742 (2021: £205,290).

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 £NIL at 31 December 2022 (2021: £1,634,000).

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

33 Related party transactions

Transactions with related parties

Astrea Limited and Pinhill 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 £436,525 (2021: £539,141 payable by the group)
Management and other services payable by the Group £128,625 (2021: £128,016)
Balance due to the Group £186,070 (2021: £11,622,893)

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

Rent payable by the Group £140,104 (2021: £136,109)
Administrative and other services £11,500 (2021: £13,082)
Balance due to the Group £1,066,187 (2021: £109,595)

There was an amount of £147,125 (2021: £171,625) owed by Green Forest Renewables Ltd at the reporting end date. W R Green, a brother of one of the directors is a majority owner of Green Forest Renewables Ltd.

Dividends totalling £363,178 (2021: £402,048) 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.

34 Acquisitions

E E Olley & Sons Limited

On 11 October 2022 the group acquired 90% of the issued capital of E E Olley & Sons Limited.

	Book Value	Adjustments	Fair Value
	£	£	£
Fixed assets	283,816	1,646,623	1,930,439
Stock	758,461	-	758,461
Debtors	788,519	-	788,519
Cash and cash equivalents	1,928,049	-	1,928,049
Creditors	(527,306)	-	(527,306)
Deferred tax	(20,946)	-	(20,946)
Total identifiable net assets	3,210,593	1,646,623	4,857,216
Non-controlling interests			(321,059)
Goodwill			3,886,955
Total consideration			8,423,112

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

34 Acquisitions (Continued)

The consideration was satisfied by: £

Cash	8,328,095
Acquisition costs	95,017
	<u>8,423,112</u>

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition: £

Turnover	1,082,128
Loss after tax	(10,103)
	<u></u>

The goodwill arising on acquisition of the businesses is attributable to customer relationships and unique services.

On 30 September 2022 the group acquired 100% of the issued capital of Wingham Timber & Mouldings Limited. The net assets and goodwill acquired were as follows:

	Book Value £	Adjustments £	Fair Value £
Property, plant and equipment	622,748	-	622,748
Inventories	1,103,183	-	1,103,183
Trade and other receivables	1,082,290	-	1,082,290
Cash and cash equivalents	694,728	-	694,728
Obligations under finance lease	(41,704)	-	(41,704)
Trade and other payables	(603,055)	-	(603,055)
Tax liabilities	(425,296)	-	(425,296)
Deferred tax	(102,998)	-	(102,998)
Total identifiable net assets	<u>2,329,896</u>	<u>-</u>	<u>2,329,896</u>
Goodwill			<u>3,766,969</u>
Total consideration			<u>6,096,865</u>

The consideration was satisfied by: £

Cash	6,027,149
Acquisition costs	69,716
	<u>6,096,865</u>

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

34 Acquisitions (Continued)

Contribution by the acquired business for the reporting period included in the consolidated statement of comprehensive income since acquisition: £

Turnover	1,414,416
Profit after tax	106,657

The goodwill arising on the acquisition of the business is attributable to customer relationships and unique products.

35 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	5,237,809	8,270,130
Adjustments for:		
Taxation charged	6,560,946	2,758,073
Finance costs	348,098	278,270
Investment income	(348,196)	(270,406)
Gain on disposal of tangible fixed assets	(1,604,887)	(60,415)
Gain on reclassification of properties	(4,426,800)	-
Amortisation and impairment of intangible assets	218,258	113,598
Depreciation and impairment of tangible fixed assets	915,437	1,335,734
Share of joint venture operating profit	188,818	(731,009)
Other gains and losses	(569,198)	(888,018)
Pension scheme non-cash movement	164,000	171,000
Decrease in provisions	-	(262,347)
Movements in working capital:		
Decrease/(increase) in stocks	2,114,391	(5,332,962)
Decrease in debtors	7,854,085	322,571
(Decrease)/increase in creditors	(8,157,818)	1,406,284
Cash generated from operations	8,494,943	7,110,503

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

36 Analysis of changes in net debt - group

	1 January 2022	Cash flows	New finance leases	31 December 2022
	£	£	£	£
Cash at bank and in hand	641,342	2,889,248	-	3,530,590
Bank overdrafts	(206,530)	206,530	-	-
	<u>434,812</u>	<u>3,095,778</u>	<u>-</u>	<u>3,530,590</u>
Borrowings excluding overdrafts	(2,000,000)	(20,300,000)	-	(22,300,000)
Obligations under finance leases	(806,150)	362,814	(1,241,136)	(1,684,472)
	<u>(2,371,338)</u>	<u>(16,841,408)</u>	<u>(1,241,136)</u>	<u>(20,453,882)</u>

37 Analysis of changes in net debt - company

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	567,876	2,130,013	2,697,889
Borrowings excluding overdrafts	(2,000,000)	(20,300,000)	(22,300,000)
	<u>(1,432,124)</u>	<u>(18,169,987)</u>	<u>(19,602,111)</u>

38 Prior period adjustment

Reconciliation of changes in equity - group

	1 January 2021	31 December 2021
	£	£
Adjustments to prior year		
Capital uplift payment	(1,346,899)	(1,346,899)
Equity as previously reported	<u>54,898,770</u>	<u>66,437,407</u>
Equity as adjusted	<u>53,551,871</u>	<u>65,090,508</u>
Analysis of the effect upon equity		
Profit and loss reserves	<u>(1,346,899)</u>	<u>(1,346,899)</u>

Reconciliation of changes in profit for the previous financial period

	2021
	£
Adjustments to prior year	
Total adjustments	-
Profit as previously reported	<u>8,270,130</u>
Profit as adjusted	<u>8,270,130</u>

J.H.& F.W.GREEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

38 Prior period adjustment

(Continued)

Reconciliation of changes in equity - company

The prior period adjustments do not give rise to any effect upon equity.

Reconciliation of changes in profit for the previous financial period

	2021 £
Adjustments to prior year	
Total adjustments	-
Profit as previously reported	3,432,305
Profit as adjusted	<u>3,432,305</u>

Notes to reconciliation

The prior period adjustment relates to an uplift payment due as a result of the sale of properties on land that was transferred to Sengate Limited under an agreement made many years ago. The properties were sold in 2018 and 2019 but the obligation to make the uplift payment was only recognised in 2022 and the payment was made during that year. However, the liability arose when the properties were sold and so it should have been recognised in the accounts for the relevant years. In the light of this, the transaction has been accounted for as a prior year adjustment.

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