

GREENBROOK INDUSTRIES LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

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GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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GREENBROOK INDUSTRIES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS: H Richard Green
David R Green
Richard D Shaw
Evelyn Green
Vivien C Green

SECRETARY: Paul Auchterlounie

REGISTERED OFFICE: 62 West Road
Harlow
Essex
CM20 2BG

REGISTERED NUMBER: 02210812 (England and Wales)

SENIOR STATUTORY AUDITOR: Andrew Green LLB FCA

AUDITORS: THP Limited
Chartered Accountants
and Statutory Auditors
34-40 High Street
Wanstead
London
E11 2RJ

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS

The results for the year reflect the impact of the outbreak of the Coronavirus pandemic and the first UK lockdown in March 2020, with turnover falling by 8%.

Last year was a great challenge in our electrical division. The onset of Covid 19 and its associated lockdown had an immediate and profound effect on the level of business activity. Much thought was given to how the effects might be mitigated and how we might help our customers - as well as ourselves - in trading through the crisis.

Although certain staff were furloughed and we took advantage of the government scheme, we maintained all employees pay at the full level. We extended into the early evening the hours that our telephone sales team were active, thus assisting customers who themselves were under pressure of reduced staffing levels.

Through our positive actions we retained all of our staff and the business has steered its way through the pandemic well and is in a strong position to take advantage of an eventual upturn in the UK market.

The results of these actions did, to some extent, mitigate the damage that might have been caused and has left us in a better position than some others as we hopefully start to emerge from the pandemic.

The reduction in interest rates to their near lowest levels in December 2020 has had a detrimental effect on our 2 closed for accrual final salary pension schemes, with the result that the notional liabilities rose considerably. However, since the year end, interest rates have hardened and these extra losses have been more or less made back to pre Covid levels.

We go into the future in a strong net cash position and thus we hope to be able to take advantage of events as they materialise, including expansion of our product range.

The company's key performance indicators are as follows:

	2020	2019
	£	£
Turnover	14,265,906	15,512,097
Gross profit	6,214,115	6,682,066
Gross profit %	43.56%	43.08%
Operating result	(962,806)	(414,713)
(Loss)/Profit before tax	(1,156,881)	611,733

The net assets of the company, excluding preference shares, are £6,948,728 (2019: £8,926,205) at the balance sheet date, reflecting the solid position of the company from a solvency and liquidity point of view. This strong balance sheet is the foundation on which the company can withstand the impact of the current economic uncertainty and to continue to grow and prosper.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the nature of the company's strategy are subject to a number of risks.

The Directors have set out below the principal risks facing the business.

The Directors are of the opinion that a thorough risk management process is adopted which involves a formal review of all risks identified below. Where possible, processes are in place to mitigate such risks.

Coronavirus

The most significant risks facing the business are the short, medium and long term impact of the Global Coronavirus Pandemic. The impact on the company and the responses of the Directors are detailed within the Directors' report.

Liquidity risk

The company makes use of an invoice discounting facility with its principal bankers in order to mitigate short term liquidity risk. The Directors continually monitor cash flow forecasts in order to further manage this risk over the short and medium term.

Currency Risk

There is a risk of adverse changes in foreign exchange rates increasing the prices of goods and adversely affecting margins. The company mitigates this risk by maintaining bank accounts in the Euro and US Dollar and taking advantage of favourable exchange rates where they arise.

Freight Costs

Increases in freight costs, however caused, can have a detrimental impact on the costs of goods and can negatively impact on margins. The Directors continually monitor this key cost and to find ways to mitigate any significant increases.

Credit Risk

As with most businesses the company is exposed to the credit risk of customers and their ability to pay debts on a timely basis. The Directors have continued to be prudent in status checks for new and existing customers, keeping debtor days as low as possible and limiting the dominance of any single customer in the overall turnover of the Company.

Price Risk and Competition

The market in which the company operates is highly competitive. As a result, the company is subject to a high level of price sensitivities and ongoing pressures on margins as direct costs and overheads costs increase. Policies of constantly assessing our pricing strategy, maintaining strong relationships with customers and suppliers and ongoing market research are in place to mitigate such risks.

Brexit

The directors believe the key risks facing the business include potential price inflation and the general impact of increased uncertainty surrounding the UK economy.

Whilst the directors recognise the risks associated with Brexit, they believe that these risks will be mitigated by the strength of the company's brands, its relationships with its key suppliers and its strong balance sheet.

ON BEHALF OF THE BOARD:



H Richard Green - Director

27 April 2021

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the design and distribution of electrical products and accessories to the wholesale and resale markets.

CORONAVIRUS

As at the date of signing these accounts, the UK remains in a third national lockdown, though on 22 February 2021 the Government announced a road map to be fully out of the current restrictions by 21 June 2021 at the earliest. This is however dependent of a number of factors and there does remain significant uncertainty at this time as to when the situation will return to some form of normality.

Trading during the year was able to continue despite the impact of the first UK lockdown on 23 March 2020, albeit at reduced levels. The company utilised the UK Government's Coronavirus Job Retention Scheme in order to support its employees during this period.

With the Government's desire to see construction continue working through the second and third national lockdowns, the company has seen trading increase and record good levels of sales from October 2020 through to the date of signing these accounts. The Directors are confident the year ended December 2021 will show an increase in sales above those of December 2020 and gross margin will be maintained.

The Directors are confident that the decisions the company has made so far and the support it has from its key stakeholders will ensure that it can continue as a going concern.

DIVIDENDS

No dividends on ordinary shares will be distributed for the year ended 31 December 2020 (2019: £1,007,440).

FUTURE DEVELOPMENTS

The company continues to invest in maintaining its leading position in portable RCD technology as well as continuing the development of new products. This is achieved by utilising both internal and external resources.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

H Richard Green
David R Green
Richard D Shaw
Evelyn Green
Vivien C Green

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen to make disclosures in relation to financial risk management and other matters considered to be of strategic importance which would otherwise be in the Directors report within the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2020**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

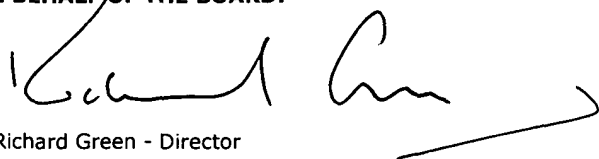
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, THP Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Richard Green', followed by a long horizontal line extending to the right.

H Richard Green - Director

27 April 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREENBROOK INDUSTRIES LIMITED

Opinion

We have audited the financial statements of Greenbrook Industries Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREENBROOK INDUSTRIES LIMITED

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages four and five, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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:

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors, and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), pension legislation, distributable profits legislation, Environmental Regulations, Health and Safety legislation and taxation legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation.

We identified the following areas as those most likely to have such an effect: health and safety, General Data Protection Regulation (GDPR), fraud, bribery and corruption, environmental protection legislation, Customer Rights Act and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

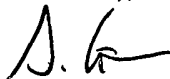
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we had properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GREENBROOK INDUSTRIES 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 a Report of the Auditors 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.



Andrew Green LLB FCA (Senior Statutory Auditor)
for and on behalf of THP Limited
Chartered Accountants
and Statutory Auditors
34-40 High Street
Wanstead
London
E11 2RJ

27 April 2021

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020	2019
		£	£
TURNOVER		14,265,906	15,512,097
Cost of sales		8,051,791	8,830,031
GROSS PROFIT		6,214,115	6,682,066
Distribution costs		3,103,970	2,973,970
Administrative expenses		4,130,703	4,166,604
		7,234,673	7,140,574
		(1,020,558)	(458,508)
Other operating income		223,082	45,033
Revaluation gains/(losses) on listed investments		(165,330)	(1,238)
OPERATING LOSS		(962,806)	(414,713)
Income from fixed asset investments	5	72,323	1,201,022
Interest receivable and similar income		14,532	31,097
		86,855	1,232,119
		(875,951)	817,406
Interest payable and similar expenses	6	280,930	155,673
Other finance costs	22	-	50,000
		280,930	205,673
(LOSS)/PROFIT BEFORE TAXATION	7	(1,156,881)	611,733
Tax on (loss)/profit	9	47,346	94,517
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		(1,204,227)	517,216

The notes form part of these financial statements

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
(LOSS)/PROFIT FOR THE YEAR		(1,204,227)	517,216
OTHER COMPREHENSIVE INCOME			
Change in pension scheme deficit		(1,017,000)	(732,000)
Income tax relating to other comprehensive income		243,750	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		(773,250)	(732,000)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(1,977,477)	(214,784)

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	11		1,525,339		1,804,616
Tangible assets	12		2,135,202		2,266,939
Investments	13		1,030,234		1,195,564
			4,690,775		5,267,119
CURRENT ASSETS					
Stocks	14	2,072,543		2,530,730	
Debtors	15	6,188,572		5,725,543	
Cash at bank and in hand		1,213,823		1,611,420	
		9,474,938		9,867,693	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	16	3,586,110		3,515,761	
NET CURRENT ASSETS			5,888,828		6,351,932
TOTAL ASSETS LESS CURRENT LIABILITIES			10,579,603		11,619,051
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	17		(5,300,836)		(5,379,807)
PENSION LIABILITY	22		(3,543,000)		(2,526,000)
NET ASSETS			1,735,767		3,713,244
CAPITAL AND RESERVES					
Called up share capital	20		82,910		82,910
Other reserves	21		59,064		59,064
Retained earnings	21		1,593,793		3,571,270
SHAREHOLDERS' FUNDS			1,735,767		3,713,244

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2021 and were signed on its behalf by:


H Richard Green - Director

The notes form part of these financial statements

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Other reserves £	Total equity £
Balance at 1 January 2019	82,910	4,188,634	604,860	59,064	4,935,468
Changes in equity					
Profit for the year	-	517,216	-	-	517,216
Other comprehensive income	-	(127,140)	(604,860)	-	(732,000)
Total comprehensive income	-	390,076	(604,860)	-	(214,784)
Dividends	-	(1,007,440)	-	-	(1,007,440)
Balance at 31 December 2019	<u>82,910</u>	<u>3,571,270</u>	<u>-</u>	<u>59,064</u>	<u>3,713,244</u>
Changes in equity					
Deficit for the year	-	(1,204,227)	-	-	(1,204,227)
Other comprehensive income	-	(773,250)	-	-	(773,250)
Total comprehensive income	-	(1,977,477)	-	-	(1,977,477)
Balance at 31 December 2020	<u>82,910</u>	<u>1,593,793</u>	<u>-</u>	<u>59,064</u>	<u>1,735,767</u>

The notes form part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	28	(60,783)	(3,002,140)
Interest paid		(28)	(42,292)
Interest element of hire purchase payments paid		(12,089)	(15,830)
Finance costs paid		(268,813)	(97,551)
Tax paid		-	94,517
Net cash from operating activities		<u>(341,713)</u>	<u>(3,063,296)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(27,417)	(1,790)
Purchase of tangible fixed assets		(76,670)	(424,495)
Purchase of fixed asset investments		-	(1,118,963)
Sale of tangible fixed assets		34,069	98,726
Sale of fixed asset investments		-	7,061,927
Interest received		14,532	31,097
Dividends received		72,323	29,095
Net cash from investing activities		<u>16,837</u>	<u>5,675,597</u>
Cash flows from financing activities			
Capital repayments in year		(72,721)	83,990
Equity dividends paid		-	(1,007,440)
Net cash from financing activities		<u>(72,721)</u>	<u>(923,450)</u>
(Decrease)/increase in cash and cash equivalents		<u>(397,597)</u>	<u>1,688,851</u>
Cash and cash equivalents at beginning of year	29	<u>1,611,420</u>	<u>(77,431)</u>
Cash and cash equivalents at end of year	29	<u><u>1,213,823</u></u>	<u><u>1,611,420</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. STATUTORY INFORMATION

Greenbrook Industries Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Preparation of consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements as all its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

Significant judgements and estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the entity's accounting policies

There are no specific judgements, apart from those involving estimates as detailed below, that management has made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

b) Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates can differ from the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic life of intangible assets

Goodwill and intangible assets are amortised over their useful economic lives and are assessed annually for indications of impairment.

(ii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates based on technological advancements, future investments, economic utilisation and the physical condition of the assets.

(iii) Stock provisioning

Due to the nature of the business, it is necessary for the management to consider the recoverability of the cost of stock and the associated provisioning required. When calculating stock provisions, management considers the nature, condition and future saleability of the stock.

(iv) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing their impairment, the management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied, net of returns, discounts and value added taxes.

Sales of goods are recognised on sale to the customer, which is considered to be the point of delivery and when the significant risks and rewards of the goods have been passed to the customer.

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirers interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the profit and loss account over its useful economic life of 10 years.

Other intangible assets

The company applies the rules set out in FRS102 Section 18 when considering the capitalization of Software and Development costs. Therefore, the company only recognises an intangible asset as an asset if, and only if:

- (a) it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- (b) the cost or value of the asset can be measured reliably.

Any expenditure carried forward is amortised in line with the expected future life of the asset less any accumulated impairment losses, commencing from the month in which the relevant asset begins generating revenue.

The estimated useful lives range as follows:

Purchased computer software	3-5 years
Development costs	3 years

Tangible fixed assets

Tangible Fixed Assets are stated at cost less depreciation.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold Property	- 2% on cost of buildings
Plant and Machinery	- 10 to 20% on cost
Motor Vehicles	- 25% on cost

Freehold land is not depreciated.

Depreciation commences in the month that the asset is brought into use.

Government grants

Government grants are accounted for on a receivable basis.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Other Investments

Investments in unlisted Company shares, whose market value can be reliably determined, are adjusted to fair value at each balance sheet date. Gains and losses on revaluation are recognised in the profit or loss for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are adjusted to fair value at the balance sheet date. Gains and losses on revaluation are recognised in profit or loss for the period.

Gains and losses arising from disposals are recognised in the profit or loss for the period in which the disposal takes place.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. ACCOUNTING POLICIES - continued

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to sell, after making due allowance for impairment of obsolete or slow moving items. Stocks are recognised as an expense in the period in which the related revenue is recognised.

Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, including taxes and duties, transport and handling directly attributable to bringing the stock to its present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company provides a range of benefits to employees, including paid holiday arrangements and a group personal pension plan.

(i) Short Term Benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Group Personal Pension Plan

The company operates a group personal pension plan for its employees. This is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown as a creditor on the balance sheet. The assets of the scheme are held separately from the group in independently administered funds.

(iii) Defined Benefit Scheme

The company also operates a defined benefit scheme, as further explained in Note 21.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

4. EMPLOYEES AND DIRECTORS

Staff costs during the period (including directors' remuneration) amounted to:

	2020 £	2019 £
Wages and salaries	1,943,433	2,159,461
Social security costs	206,380	211,172
Other pension costs	140,032	36,146
Pension costs - defined benefit schemes	132,419	136,011
	<u>2,422,264</u>	<u>2,542,790</u>

The average number of employees during the period was as follows:

	2020	2019
Administration, production & sales staff (including 6 part time)	51	54
Executive staff	5	5
	<u>56</u>	<u>59</u>

The Directors are considered to be the key management for the purposes of disclosure under FRS102.

	2020 £	2019 £
Directors' remuneration	185,884	230,257
Directors' pension contributions to money purchase schemes	-	28,346
	<u>-</u>	<u>28,346</u>

5. INCOME FROM FIXED ASSET INVESTMENTS

	2020 £	2019 £
Dividends received on listed investments	72,323	29,095
Profit on disposal of investments	-	1,171,927
	<u>72,323</u>	<u>1,201,022</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020 £	2019 £
Bank interest	28	42,292
Hire purchase interest	12,089	15,830
Preference dividend - 9%	44,888	44,887
Preference dividend - 4.75%	223,925	52,664
	<u>280,930</u>	<u>155,673</u>

7. (LOSS)/PROFIT BEFORE TAXATION

The loss (2019 - profit) is stated after charging/(crediting):

	2020 £	2019 £
Depreciation - owned assets	197,352	191,897
Profit on disposal of fixed assets	(23,014)	(47,501)
Goodwill amortisation	300,000	300,000
Development costs amortisation	1,605	1,604
Computer software amortisation	5,089	14,491
	<u>5,089</u>	<u>14,491</u>

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. AUDITORS' REMUNERATION

Fees payable to the Company's auditors and their associates in respect of:

	2020 £	2019 £
Audit of Greenbrook Industries Ltd	12,500	13,260
Audit of related entities	6,000	6,000
Taxation services	2,500	6,365
Other services	2,250	4,085
	<u>23,250</u>	<u>29,710</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the loss for the year was as follows:

	2020 £	2019 £
Deferred tax	47,346	94,517
Tax on (loss)/profit	<u>47,346</u>	<u>94,517</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
(Loss)/profit before tax	<u>(1,156,881)</u>	<u>611,733</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	<u>(219,807)</u>	<u>116,229</u>
Effects of:		
Expenses not deductible for tax purposes	70,389	26,741
Income not taxable for tax purposes	(16,502)	(237,035)
Depreciation in excess of capital allowances	62,587	60,420
Utilisation of tax losses	103,333	-
Deferred tax	47,346	128,162
Total tax charge	<u>47,346</u>	<u>94,517</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2020 Tax £	Net £
Change in pension scheme deficit	<u>(1,017,000)</u>	<u>243,750</u>	<u>(773,250)</u>
		2019	
	Gross £	Tax £	Net £
Change in pension scheme deficit	<u>(732,000)</u>	<u>-</u>	<u>(732,000)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

10. DIVIDENDS

	2020 £	2019 £
Ordinary shares of £0.01 each		
Interim	-	1,007,440

11. INTANGIBLE FIXED ASSETS

	Goodwill £	Development costs £	Computer software £	Totals £
COST				
At 1 January 2020	3,000,000	4,815	426,403	3,431,218
Additions	-	-	27,417	27,417
At 31 December 2020	3,000,000	4,815	453,820	3,458,635
AMORTISATION				
At 1 January 2020	1,200,000	2,808	423,794	1,626,602
Amortisation for year	300,000	1,605	5,089	306,694
At 31 December 2020	1,500,000	4,413	428,883	1,933,296
NET BOOK VALUE				
At 31 December 2020	1,500,000	402	24,937	1,525,339
At 31 December 2019	1,800,000	2,007	2,609	1,804,616

12. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Equipment and motor vehicles £	Totals £
COST				
At 1 January 2020	1,850,000	1,323,353	523,339	3,696,692
Additions	-	24,087	52,583	76,670
Disposals	-	-	(92,624)	(92,624)
At 31 December 2020	1,850,000	1,347,440	483,298	3,680,738
DEPRECIATION				
At 1 January 2020	162,000	1,025,576	242,177	1,429,753
Charge for year	18,000	76,245	103,107	197,352
Eliminated on disposal	-	-	(81,569)	(81,569)
At 31 December 2020	180,000	1,101,821	263,715	1,545,536
NET BOOK VALUE				
At 31 December 2020	1,670,000	245,619	219,583	2,135,202
At 31 December 2019	1,688,000	297,777	281,162	2,266,939

Included in cost of land and buildings is freehold land of £950,000 (2019 - £950,000) which is not depreciated.

Fixed assets with net book value of £258,045 (2019: £307,836) are secured under hire purchase agreements. Depreciation charged on these assets in the year was £86,384 (2019: £43,822).

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Listed investments £	Unlisted investments £	Totals £
COST OR VALUATION				
At 1 January 2020	100	1,106,000	89,464	1,195,564
Revaluations	-	(165,330)	-	(165,330)
At 31 December 2020	100	940,670	89,464	1,030,234
NET BOOK VALUE				
At 31 December 2020	100	940,670	89,464	1,030,234
At 31 December 2019	100	1,106,000	89,464	1,195,564

Cost or valuation at 31 December 2020 is represented by:

	Shares in group undertakings £	Listed investments £	Unlisted investments £	Totals £
Valuation in 2020	-	(165,330)	-	(165,330)
Valuation in 2019	-	95,685	(50,652)	45,033
Cost	100	1,010,315	140,116	1,150,531
	100	940,670	89,464	1,030,234

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Greenbrook Electrical Ltd

Registered office: 62 West Road, Harlow, Essex, CM20 2BG

Nature of business: Dormant

	% holding
Class of shares:	
Ordinary	100.00

14. STOCKS

	2020 £	2019 £
Finished goods	2,072,543	2,530,730

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	4,297,226	4,089,962
Other debtors	485,834	831,863
Directors' current accounts	274,967	123,153
Corporation tax recoverable	89,364	-
Deferred tax asset	785,080	588,676
Prepayments and accrued income	256,101	91,889
	6,188,572	5,725,543

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred tax asset	2020	2019
	£	£
Tax losses carried forward	59,109	116,741
Other timing differences	20,923	19,604
Accelerated depreciation	31,878	22,911
Pension deficit	673,170	429,420
	<u>785,080</u>	<u>588,676</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Hire purchase contracts (see note 19)	106,414	100,164
Trade creditors	1,230,281	1,293,618
Amounts owed to group undertakings	100	100
Corporation tax	89,364	-
Social security and other taxes	321,036	285,181
Other creditors	487,741	389,149
Accruals and deferred income	1,351,174	1,447,549
	<u>3,586,110</u>	<u>3,515,761</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Preference shares (see note 18)	5,212,961	5,212,961
Hire purchase contracts (see note 19)	87,875	166,846
	<u>5,300,836</u>	<u>5,379,807</u>

18. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due in more than five years:		
Repayable otherwise than by instalments		
Preference shares	5,212,961	5,212,961

Details of shares shown as liabilities are as follows:

Allotted, issued and fully paid:		Nominal value:	2020	2019
Number:	Class:		£	£
498,750	Preference "A" 9%	£1	498,750	498,750
4,714,211	Preference "B" 4.75%	£1	4,714,211	4,714,211
			<u>5,212,961</u>	<u>5,212,961</u>

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. LOANS - continued

The preference shares carry a fixed cumulative dividend of 4.75% or 9% per annum payable quarterly in arrears. On a winding up they rank ahead only of the ordinary shares and will be repaid at par.

In accordance with accounting standards any dividends paid on cumulative preference shares are included within interest payable.

19. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Net obligations repayable:		
Within one year	106,414	100,164
Between one and five years	87,875	166,846
	<u>194,289</u>	<u>267,010</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020 £	2019 £
Number:	Class:	Nominal value:		
8,291,040	Ordinary	£0.01	<u>82,910</u>	<u>82,910</u>

21. RESERVES

	Retained earnings £	Other reserves £	Totals £
At 1 January 2020	3,571,270	59,064	3,630,334
Deficit for the year	(1,204,227)		(1,204,227)
Actuarial losses on pension scheme	(773,250)	-	(773,250)
At 31 December 2020	<u>1,593,793</u>	<u>59,064</u>	<u>1,652,857</u>

Merger reserve

The merger reserve arises as a result of a historic group reorganisation.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

22. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined contribution pension scheme. The pension charge for the year was £100,032 (2019 - £64,492).

In addition the company operates two defined benefits pensions schemes, the Greenbrook Industries Limited Retirement Benefits Scheme ('GILRBS') and the Plyglass Plc Pension and Assurance Scheme ('PPAS'). The assets of the schemes are held separately from those of participating group companies. The schemes are currently independently administered by Deloitte. A complete valuation of each scheme is undertaken by independently qualified actuaries at least every three years and annual contributions to the schemes are made in accordance with their recommendations.

The pension liability under FRS 102 at the year end relates to the following group and group schemes:

	2020 £	2019 £
'GILRBS'	3,121,000	2,332,000
'PPAS'	422,000	194,000
Total	3,543,000	2,526,000

(a) The Greenbrook Industries Limited Retirement Benefits Scheme ('GILRBS')

The scheme was closed to new entrants with effect from 1 November 2005 and ceased to have active members from August 2009.

The scheme covers employees of Greenbrook Industries Limited and certain other former group companies including Greenbrook Electrical Limited.

There is no agreement or policy for charging the net defined benefit cost of the plan as a whole measure in accordance with FRS 102 to individual group entities.

Contributions by group companies to 'GILRBS' on recommendation of the actuary during the year ended 31 December 2020 amount to £67,000 (2019 - £101,000).

A full actuarial valuation of the 'GILRBS' was carried out as at 6 April 2019. The valuation has been updated for FRS 102 requirements at each 31 December 2019 and 31 December 2020 by a qualified actuary. The most significant assumptions applied were:

	2020	2019
Rate of increase in pensions in payment - post 1988 GMP	3.00%	3.00%
Rate of increase in pensions in payment - post 1997 pension	2.85%	2.90%
Discount rate	1.35%	2.05%
Inflation assumption	2.90%	2.95%
Deferred pensioner revaluation - RPI max 5% pa	2.90%	2.95%
Deferred pensioner revaluation - RPI max 2.50% pa	2.50%	2.50%

The most important assumption underlying the present value of the scheme liabilities is the rate of interest applied to discount the estimated cashflows arising under liabilities.

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2020	2019
Retiring today:		
Male	22.4	22.2
Female	24.4	24.2
Retiring in 20 years:		
Male	23.7	23.6
Female	25.9	25.7

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

Amounts recognised in the profit or loss are as follows:

	2020	2019
	£	£
Expenses	(47,000)	(49,000)
Net interest on the defined benefit liability	(48,000)	(40,000)
Past service cost	(13,000)	-
	(108,000)	(89,000)

Amounts recognised in the statement of other comprehensive income (OCI) are as follows:

	2020	2019
	£	£
Actuarial loss	789,000	887,000

The amounts included in the statement of financial position arising from the group's obligation in respect of defined benefit plans are as follows:

	2020	2019
	£	£
Present values of defined benefit obligation	(8,484,000)	(7,763,000)
Fair value of plan assets	5,363,000	5,431,000
Closing defined benefit obligation	(3,121,000)	(2,332,000)

Movement in present value of the defined benefit obligation:

	2020	2019
	£	£
Defined benefit obligation at 1 January	7,763,000	7,074,000
Past service cost - GMP equalisation	(3,000)	-
Interest on liabilities	157,000	195,000
Actuarial (gains)/losses	777,000	701,000
Settlements	-	-
Benefits paid	(226,000)	(207,000)
Defined benefit obligation at 31 December	8,484,000	7,763,000

Movements in the fair value of plan assets

	2020	2019
	£	£
Plan assets at 1 January	5,431,000	5,617,000
Interest income	109,000	155,000
Contributions by employer	67,000	101,000
Asset return	29,000	(186,000)
Expenses paid by scheme	(47,000)	(49,000)
Benefits paid	(226,000)	(207,000)
Plan assets at 31 December	5,363,000	5,431,000

The analysis of the scheme assets at the reporting date were as follows:

	2020	2019
	£	£
Multi-asset funds and equities	3,681,000	3,731,000
Property	1,555,000	1,545,000
Bonds and fixed interest investments	144,000	149,000

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

Cash	(17,000)	6,000
Total plan assets	5,363,000	5,431,000

(b) The Plyglass Plc Pension and Assurance Scheme ('PPAS')

The PPAS is a closed scheme and has had no active members since March 1997..

Contributions by group companies to PPAS, on the recommendations of the actuaries during the year ended 31 December 2020 amounted to £40,000 (2019 - £40,000) plus expenses.

A full actuarial valuation of the PPAS was carried out as the 31 December 2018. The valuation has been updated for FRS 102 requirements at each 31 December 2019 and 31 December 2020 by a qualified actuary. The most significant assumptions applied were:

	2020	2019
Rate of increase in pensions in payment	3.00%	3.00%
Deferred pensioner revaluation - RPI 5% pa	2.40%	2.00%
Discount rate	1.25%	2.00%
Inflation assumption	3.00%	3.00%

The most important assumption underlying the present value of the scheme liabilities is the rate of interest applied to discount the estimated cash flows arising under the liabilities.

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2020	2019
Retiring today:		
Male	22.4	22.2
Female	24.4	24.2
Retiring in 20 years:		
Male	23.7	23.6
Female	25.9	25.7

Amounts recognised in profit and loss in respect of the defined pension schemes are as follows:

	2020 £	2019 £
Settlements	34,000	11,000
Net interest on the defined benefit liability	(3,000)	(10,000)
Expenses	(1,000)	-
Past services cost	(3,000)	-
	26,000	1,000

Amounts recognised in statement of other comprehensive income (OCI) are as follows:

	2020 £	2019 £
Actuarial (loss)/gain	(228,000)	155,000

The amounts included in the statement of financial position arising from the group's obligation in respect of the defined benefit plans are as follows:

	2020 £	2019 £
Opening defined benefit obligation	3,015,000	2,839,000
Past service cost	3,000	-
Interest on liabilities	57,000	75,000
Actuarial (gains)/losses	324,000	243,000

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

Settlements	(34,000)	(23,000)
Benefits paid	(212,000)	(105,000)
Closing defined benefit obligation	3,153,000	3,015,000

	2020	2019
	£	£
Present value of defined benefit obligation	(3,153,000)	(3,015,000)
Fair value of plan assets	2,731,000	2,821,000
Closing defined benefit obligation	(422,000)	(194,000)

Movements in the fair value of plan assets:

	2020	2019
	£	£
Plan assets at 1 January	2,821,000	2,449,000
Interest income	55,000	65,000
Gain on asset return	28,000	384,000
Contributions by employer	40,000	40,000
Expenses paid by scheme	(1,000)	-
Settlements	-	(12,000)
Benefits paid	(212,000)	(105,000)
Plan assets at 31 December	2,731,000	2,821,000

The analysis of the scheme assets at the reporting date were as follows:

	2020	2019
	£	£
Invested assets	2,727,000	2,774,000
Cash	4,000	47,000
Total plan assets	2,731,000	2,821,000

23. CONTINGENT LIABILITIES

The company has agreed to guarantee a £500,000 loan held by a third party to Sandal Plc. This bears interest at 7% per annum and is repayable over the next five years.

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2020 and 31 December 2019:

	2020	2019
	£	£
David R Green		
Balance outstanding at start of year	-	-
Amounts advanced	1,706,967	-
Amounts repaid	(1,432,000)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	274,967	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

Evelyn Green

Balance outstanding at start of year	123,153	-
Amounts advanced	198,105	123,153
Amounts repaid	(326,388)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	(5,130)	123,153

Interest of £5,520 (2019: £7,318) was charged on these balances in the year.

25. RELATED PARTY DISCLOSURES

At the balance sheet date the company owed certain Directors and their close family £113,321 (2019 was owed :£325,253). Interest was charged on the balances owed of £3,925.

During the year motor vehicles were purchased from the company by Directors and their close family for total proceeds of £5,794 (2019: £25,200).

During the year income was received in regards to the management of a related company in which two directors of Greenbrook Industries Limited hold a 5% share each. This income amounted to £22,000 (2019 - £22,000).

At the balance sheet date the company was owed £250,000 (2019:£nil) by Storm Inventories Limited, a company controlled by the close family of a Director. This balance was interest free and was repaid in full on 15 March 2021.

During the year the company paid £268,813 (2019: £97,551) in dividends to the holders of preference shares, who are members of the close family of the Directors.

During the year the company paid £nil (2019: £1,104,991) in dividends to the holders of ordinary shares, who are members of the close family of the Directors.

26. POST BALANCE SHEET EVENTS

Since the year end an increase in bond yields has reduced the overall pension scheme liabilities by circa £700,000. In the same period the value of scheme assets has also improved by circa £250,000.

Although there will also have been other changes to the scheme assets and liabilities over this period, the Directors expect that the scheme deficits will be significantly reduced in the year ended 31 December 2021

27. ULTIMATE CONTROLLING PARTY

The company is under the control of the directors, however there is no ultimate controlling party.

28. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
(Loss)/profit before taxation	(1,156,881)	611,733
Depreciation charges	504,046	507,992
Profit on disposal of fixed assets	(23,014)	(47,501)
Loss on revaluation of fixed assets	165,330	1,238
Finance costs	280,930	205,673
Finance income	(86,855)	(1,232,119)
	(316,444)	47,016
Decrease/(increase) in stocks	458,187	(145,205)
Increase in trade and other debtors	(177,261)	(894,638)
Decrease in trade and other creditors	(25,265)	(2,009,313)
Cash generated from operations	(60,783)	(3,002,140)

GREENBROOK INDUSTRIES LIMITED (REGISTERED NUMBER: 02210812)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2020**

29. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>1,213,823</u>	<u>1,611,420</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	1,611,420	442,625
Bank overdrafts	-	(520,056)
	<u>1,611,420</u>	<u>(77,431)</u>

30. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank and in hand	<u>1,611,420</u>	<u>(397,597)</u>	<u>1,213,823</u>
	<u>1,611,420</u>	<u>(397,597)</u>	<u>1,213,823</u>
Debt			
Finance leases	(267,010)	72,721	(194,289)
Debts falling due after 1 year	<u>(5,212,961)</u>	<u>-</u>	<u>(5,212,961)</u>
	<u>(5,479,971)</u>	<u>72,721</u>	<u>(5,407,250)</u>
Total	<u>(3,868,551)</u>	<u>(324,876)</u>	<u>(4,193,427)</u>