

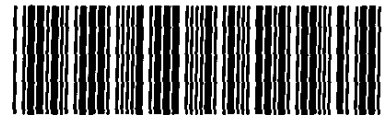
Registered number: 06539986

idverde UK Limited

Financial statements

For the Year Ended 31 December 2022

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idverde UK Limited

Company Information

Directors

S Huxley
K B Lennard (appointed 2 March 2022)
R J Blumberger (appointed 6 February 2023)
A M Pollins (appointed 1 April 2023)

Company secretary

T J James

Registered number

06539986

Registered office

Octavia House
Westwood Way
Westwood Business Park
Coventry
CV4 8JP

Independent auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

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idverde UK Limited

Group Strategic Report For the Year Ended 31 December 2022

Idverde UK Limited ("Idverde" or "Group") is a holding company for the UK trading group. Idverde is a leading provider of specialist green services, grounds maintenance, parks management, arboriculture, cleansing, facilities management, consultancy, playground and sports & landscape creation services.

The Group had a very strong year of organic growth in 2022. Across the business, £48M new sales were awarded at an industry average conversion rate of 25%. The live pipeline of opportunities ended the year at £163M.

Term maintenance was the best performing area of the business with £16M annual new business gained with forward order book additions of £106M. Significant new contracts awarded included a £5.8M per annum, seven-year contract with The Royal Parks, and a £1.4M per annum, seven-year contract with London and Quadrant. 2022 was also a strong year for retaining existing contracts with Wiltshire Council and Sutton Coldfield Council being re-awarded on long-term contracts. Term maintenance contracts not awarded to Idverde totalled £16M, including contracts with PA Housing, Stratford upon Avon Council and Leicestershire County Council.

Our Nature Based Solutions service range continues to develop with biodiversity consultancy, ecology, landscape design, landscape creation and management opportunities progressing across the country.

Idverde wins the majority of its income by tendering for, and the delivery of, long-term maintenance contracts. It has an enviable record for the quality of its service delivery and consequently for retaining contracts when they come up for extension and renewal. The strategy to expand Idverde's presence and offer a truly national service delivered via directly employed colleagues is now a demonstrable quality USP in the market.

Idverde continues to follow its four point strategy for growth, namely:

1. Retaining and renewing existing contracts through the continued delivery of a quality service using a directly employed service provision;
2. Organic growth via new contracts;
3. Acquisitive growth from selective strategic acquisitions; and
4. Continued development of its people, processes and systems.

Key performance indicators ("KPIs")

Turnover

Turnover for the year was £219,070,000 (2021: £203,334,000).

Gross Profit

The gross profit margin for the period was 7.4% (year ended 31 December 2021: 5.2%).

Maintenance activities were very strong but house builder and creation volumes were lower than expected. Margins increased due to improved cost control, despite the inflationary environment and losses generated from some Creation projects. The loss before tax has significantly reduced in 2022 as management take actions to return the group to profitability.

Future Developments

The primary focus is returning the Company to profit and continuing to implement the strategy. The Company and Group strategy is successfully growing the business organically through new contract wins and additionally there is a focus on improving systems and processes to further improve efficiency and control. The Company will consider acquiring businesses in the future that fit with the strategy and add value to the Company and Group.

Financial risk management

Idverde's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and liquidity risk. Idverde has in place a risk management programme that seeks to limit the adverse effects on its financial performance, by monitoring levels of debt finance and the related finance costs. Given the size of Idverde, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set out by the board of directors are implemented by Idverde's central finance department.

Group Strategic Report (continued)
For the Year Ended 31 December 2022

Price Risk

Idverde is exposed to commodity price risk as a result of its operations. Idverde sources products from its supply chain on a best price basis, leveraging off the UK (and on occasion) the European Group's size and bandwidth to achieve the best commercial terms. The Group has been closely monitoring commodity prices, particularly in light of the stretched supply chain developing world wide and the impact of fuel and other price rises. Timber, cement, building materials and playground equipment have an impact on the Company's material costs. Idverde continues to work with its customer base in order to mitigate the impact of unavoidable material price increases. The company does not hedge for commodities.

Credit Risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. During 2022 the group utilised credit insurance for certain private sector transactions. There were no occasions during 2022 where the credit insurance policy was required.

Liquidity Risk

Idverde Group, with the support of the Group's principal shareholder, actively maintains a mixture of long term and short term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

Business risk

Idverde regularly assesses risks that impact on the business. This includes our processes and procedures in relation to quality and health and safety. Idverde has maintained its full accreditation for ISO9001, ISO14001 and ISO45001. As part of our Integrated Management System, Idverde conducts regular risk assessments and audits with management committed to improving controls and processes. Idverde's Leadership team regularly reviews the outcomes of such risk assessments together with related health and safety matters, including incident investigation and audit findings. During the year, Idverde continued its training programme for managers and relevant Directors to undertake NEBOSH and IOSH training courses. All senior operational directors and managers are encouraged to obtain qualification to NEBOSH certificate level. Idverde also has a policy of ensuring that every operational or contract manager is qualified to IOSH level and has a continuous training programme to maintain this with new employees and as new managers join on new contracts. 206 Managers were trained to this standard in the winter period of 2021/2022 to maintain this level.

Streamlined energy and carbon reporting (SECR)

Energy usage and greenhouse gas emissions reported here are for the year ended 31 December 2022. Idverde continued to partner with One Carbon World Ltd to verify our carbon footprint and are pleased to report a consecutive reduction of carbon intensity of direct emissions. We remain committed to keeping carbon management at the top of our business priorities, alongside providing nature based solutions for our clients to fight climate change and address global biodiversity loss.

Energy Usage

Source	kWh
Electricity	2,213,599
Gas	1,238,360
Burning oil	50,158
Transport (Liquid Fuels & Business miles)	70,337,680
Total energy usage	73,839,797

**Group Strategic Report (continued)
For the Year Ended 31 December 2022**

Carbon Emissions

The above energy and fuel use equates to 17,420.65 tCO₂e (direct emissions only emissions). A breakdown of these emission by scope is shown below alongside indirect emissions figures.

GHG Protocol Scope	Tons CO ₂ e
Scope 1	16,992.58
Scope 2	428.07

For the purposes of illustrating a 'carbon intensity', this equates to 81.06 tCO₂e per £1m turnover. This is a 12.7% decrease on the 2020 baseline carbon intensity.

Footprint Period: 2022 Like-for-Like Assessment (Scopes 1+2 only)

On an absolute basis, the total aggregated scope 1+2 emissions in 2022 were stated as 17,420.65 tCO₂e compared to 16,836 tCO₂e in 2021. A 5.7% increase in turnover occurred over the same period, so on a relative basis, the total scope 1+2 emissions in 2022 were stated as 81.06 tCO₂e per £1m turnover compared to 82.81 (-2.1%) in 2021.

Methodology

The company defines the emission boundary for this report as all source emissions arising from company activities that are within the company's operational control including the activities taking place at occupied properties and that of the entire working vehicle fleet used by the company (the vast majority of idverde's services are delivered by its own direct resources).

Emissions factors and guidance from the Department for Business, Energy and Industrial Strategy (BEIS) has been used to calculate all material carbon emissions covering scopes 1 + 2 for which the Company considers itself to be responsible for.

The methodology used meets the reporting requirements of the Green House Gas (GHG) Protocol Corporate Standard.

Energy efficiency action and mitigation (Jan to Dec 2022)

- Replacement of internal combustion engine (ICE) machinery with electric powered alternatives on a number of large grounds maintenance contracts
- Deployment of light commercial electric vans into our fleet
- Successful business development in Solihull, The Royal Parks and other services resulted in further investment in
 - Further electric battery powered machinery and equipment
 - Further orders placed for electric light commercial vehicles and EV cars
 - The asset pool now includes 25 Electric and 41 Hybrid vehicles
 - Alternative fuel introduced, reducing or replacing the use of diesel on those contracts
- Further investment in all these areas within existing fleet and equipment operations
- Driver awareness training
- Vehicle idling monitoring and training

**Group Strategic Report (continued)
For the Year Ended 31 December 2022**

Ongoing Action

Amongst our activities this reporting year Idverde have:

- Continued our campaign to reduce fuel consumption as a result of driving techniques and speeds
- Expanding the use of vehicle tracking and telematics to greater support energy efficiency targets
- Renewed our membership to the UN Climate Neutral Now initiative and have committed to continually measure, minimise and mitigate our emissions
- Initiated the development of an updated sustainability strategy and a practical net zero plan
- Have trained 6 colleagues to be Climate Fresk Facilitators, which has enabled certified in-house training, and have commenced the training of all office based, management and administration staff (includes 300+ colleagues)

Carbon Neutrality and Tree planting initiatives

Whilst our focus for improvement needs to continue to be aimed at the development of longer-term Net Zero plans for the future, idverde recognises that by offsetting our direct emissions, we can also help in mitigating the impacts of the emissions that result from our work today.

Whilst it is not the solution to this challenge, for 2022 we have continued to retire carbon credits within UN-backed offsetting schemes to maintain our position of carbon neutrality with respect to our direct (Scope 1 & 2) emissions. Given that most emissions offsetting schemes of this type are in developing economies overseas, we are also keen to support UK based environmental initiatives so to this end, we have continued our support of the RFS's National Forest tree planting schemes with additional investment in a further 5000 trees. We see schemes such as this as key to ensuring that tree planting initiatives that we support are sustainable and supported with the correct stewardship and management programmes. All of the tree planting we support is in addition to the offsetting through the formal UN backed programme.

Directors' statement of compliance with duty to promote the success of the group

The directors have acted in the way they consider, in good faith, promotes the success of the group for the benefit of its members as a whole, and in doing so have given regard to (amongst other matters):

Business relationships

The need to build strong long-standing relationships with both our customers and suppliers is paramount to the success of the group and its longevity. We continually develop strategies to maintain and grow our client base and further improve relationship with our suppliers. With respect to suppliers the group's policy for the payment of suppliers is to agree to terms of payment in advance in line with normal trade practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

Our people

The group is committed to being a responsible business. Our behaviour is aligned with the expectations of our people, customers, shareholders, communities, and society as a whole. People are at the heart of delivering quality specialist services both internally and externally. For our business to continue to succeed we continually manage our peoples' performance and develop and bring through talent while ensuring we operate as efficiently as possible.

Disabled employees

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees became disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training, career development and promotion to disabled employees wherever appropriate.

idverde UK Limited

**Group Strategic Report (continued)
For the Year Ended 31 December 2022**

Employee involvement

During the period, the policy of providing employees with information about the group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Community, charity and environment

The group's approach is to use our long-standing position to create positive change for the people and communities we interact with through a number of initiatives.

Culture and values

The group recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals the right and fair way, so we look after the best interests of our shareholders, customers, people, suppliers, and other stakeholders.

Shareholders

The management is committed and openly engaged with our shareholders through regular Board Meetings and effective dialogue. The shareholders and their representatives are actively engaged in understanding our strategy, culture, people, and the performance of our shared objectives for the short, mid and longer terms.

Political donations

The group does not make any donations to any political party or organisation.

This report was approved by the board and signed on its behalf by:



A M Pollins

Director

Date: 29 September 2023

**Directors' Report
For the Year Ended 31 December 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law they have elected to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the Company and of the profit or loss of the Group for that period. In preparing the consolidated financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors consider that the Group Strategic Report, Directors' Report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and company's position and performance, business model and strategy.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors, via a group policy purchased and maintained by idverde SAS which covers the directors and officers of the policyholder and all its subsidiaries including idverde UK Ltd and its subsidiaries.

idverde UK Limited

Directors' Report (continued) For the Year Ended 31 December 2022

Results and dividends

The loss for the year, after taxation, amounted to £21,565,000 (2021 - loss £31,347,000).

Going concern

Idverde UK Limited and its UK subsidiaries are directly and indirectly funded by a Luxembourg parent company Armoriga Lux Sarl through inter-company arrangements which are repayable in the future periods. No significant cash or external borrowings are held in the UK. Due to this, the company is reliant on support and has received a letter of support from Armoriga Lux Sarl, indicating that it will continue to make funds available to the company and will not seek repayment of any amounts owed, where such repayment could impair the liquidity of the company. This will enable the company to continue in operational existence for the foreseeable future. The letter covers a period of at least 12 months from the date of signing the financial statements. The directors have assured the ability of the Lux parent company to provide support and in doing so reviewed the going concern assessment of the Lux parent company. The Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Employees

During the year, the Group continued to develop its 'grow our own' strategy of attracting and developing talent at all levels within the business. This positive investment by the group has helped to address the industry wide skills shortage.

The Accelerated Leadership Programme (ALP) and Management Development Programme (MDP) enable the group to continually develop the management of people within the business. These programmes educate and guide managers in leadership styles, their own work preferences, the impact of their management on others and the link between good quality leadership, employee engagement and performance. This has resulted in progression to senior management roles for a number of developing managers during the year.

Training and up-skilling amongst Operatives continues to be delivered through the continuation of offering various apprenticeships / qualifications / e-learning / internal & external training. Idverde's commitment to ensuring that its attraction strategy to offer training and development under apprenticeship schemes continues to develop, and Idverde has notably established an industry leading development centre for its colleagues, Performance Campus.

Matters covered in the Group strategic report

The directors have prepared a separate Group Strategic Report incorporating consideration of the Group's suppliers, customers, employees and others.

Directors

The directors who served during the year were:

A K Gomm (resigned 27 June 2023)
S Huxley
J H R Groleau (resigned 4 January 2023)
C M Pullen (resigned 2 March 2022)
K B Lennard (appointed 2 March 2022)

Corporate Governance Statement

The Board of Directors (the "Board") of Idverde UK Limited (the "Group") and its subsidiaries (including main trading subsidiaries Idverde Limited, T.C Landscapes Ltd) has adopted the Wates Corporate Governance Principles for Large Private Companies and has applied all the principles of the code. The Wates Corporate Governance Principles for Large Private Companies serves as the framework to demonstrate how Directors have regard for the matters set out in section 172(1)(a) to (f) of the Companies Act when performing their duties. Each of the Six Wates Principles has been considered individually within the context of the Company's specific circumstances and a short explanation below as to how each principle has been applied.

Directors' Report (continued)
For the Year Ended 31 December 2022

The members of the Board (the "Directors") have set out below an explanation of how the Wates Corporate Governance Principles are applied.

An effective board develops and promotes the purpose of a company, and ensures that its values, strategy and culture align with that purpose.

Idverde UK Limited ("Idverde" or "Group") is a holding company for the UK trading group. Idverde is a leading provider of specialist green services, grounds maintenance, parks management, arboriculture, cleansing, facilities management, consultancy, playground and sports & landscape creation services.

Idverde wins the majority of its income by tendering for, and the delivery of, long-term maintenance contracts. It has an enviable record for the quality of its service delivery and consequently for retaining contracts when they come up for extension and renewal. The strategy to expand Idverde's presence and offer a truly national service delivered via directly employed colleagues is now a demonstrable quality USP in the market.

Idverde continues to follow its four point strategy for growth, namely:

- Retaining and renewing existing contracts through the continued delivery of a quality service using a directly employed service provision;
- Organic growth via new contracts;
- Acquisitive growth from selective strategic acquisitions; and
- Continued development of its people, processes and systems.

The Group recognises the importance of having the right corporate culture. Our long-term success depends on achieving our strategic goals the right and fair way, so we look after the best interests of our shareholders, customers, people, suppliers, and other stakeholders.

The directors have acted in the way they consider, in good faith, promotes the success of the Group for the benefit of its members as a whole.

The Group has a clearly communicated Mission, Vision and Values.

Our Mission:

Creating and maintaining landscapes for our clients, employing colleagues who are motivated to do their best, in an environment where they feel valued and proud to work for Idverde.

Our Vision:

To be the provider of choice for creating and maintaining landscapes for businesses and communities.

Our Values:

Collaboration, Integrity, Innovation, Respect, Responsibility and Focus, are at the heart of everything we do.

Effective board composition requires an effective chair and a balance of skills, backgrounds, experience and knowledge, with individual directors having sufficient capacity to make a valuable contribution. The size of a board should be guided by the scale and complexity of the company.

The chair of the Board, who is nominated in each meeting, leads the Board and is responsible for its overall effectiveness, promoting open debate and facilitating constructive and meaningful conversation. Other members of the management team and other internal subject matter experts are invited to Board meetings to update and advise the Directors as and when needed. The Board meetings are joined by in-house legal counsel and the Company Secretary.

The board consists of members with a diverse range of skills, expertise and experience including finance and accounting, human resources, and business development. The size and structure of the board is adequate to the scale and complexity of the Company and Group.

Directors' Report (continued)
For the Year Ended 31 December 2022

The Group assists the Board's professional development and growth, providing regular training and supporting development opportunities.

The board and individual directors should have a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

The Board meets throughout the reporting year to review current business performance, discuss strategic projects, people, quality and health and safety, and analyse key risks and opportunities. Key information is collated by the Group's finance function. Financial information is audited on an annual basis by the Group's external auditors. Internal controls and processes are routinely reviewed. Other key information is prepared by the relevant business functions and internal specialists within the Company and presented to the board as necessary.

Directors are required to act in the best interest of the Group and comply with company policies around Code of Conduct including promoting ethical behaviours, leading by example and acting in compliance with laws and regulations, including their statutory duties under the Companies Act 2006 (CA 2006).

A board should promote the long-term sustainable success of the company by identifying opportunities to create and preserve value, and establishing oversight for the identification and mitigation of risks.

The Group established and maintains corporate governance and compliance practices, providing clear lines of accountability and responsibility to support effective decision making, including third party engagements, contract signing policies, authority and approval processes, and communication channels.

Members of the board participate in monthly business reviews with key functional leaders to review business performance in light of long-term strategic plans, opportunities and decision making.

Idverde's operations expose it to a variety of financial risks that include the effects of changes in market prices, credit risk and liquidity risk. Idverde has in place a risk management programme that seeks to limit the adverse effects on its financial performance, by monitoring levels of debt finance and the related finance costs. Given the size of Idverde, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the Board. The policies set out by the board of directors are implemented by Idverde's central finance department.

Idverde regularly assesses risks that impact on the business. This includes our processes and procedures in relation to quality and health and safety. Idverde has maintained its full accreditation for ISO9001, ISO14001 and ISO45001. As part of our Integrated Management System, Idverde conducts regular risk assessments and audits with management committed to improving controls and processes. Idverde's Leadership team regularly reviews the outcomes of such risk assessments together with related health and safety matters. All senior operational directors and managers are encouraged to obtain qualification to NEBOSH certificate level.

A board should promote executive remuneration structures aligned to the long-term sustainable success of a company, taking into account pay and conditions elsewhere in the company.

The Group is committed to being a responsible business. Our behaviour and remuneration is aligned with the expectations of our people, customers, shareholders, communities, and society as a whole. People are at the heart of delivering quality specialist services both internally and externally. For our business to continue to succeed we continually manage our peoples' performance and develop and bring through talent while ensuring we operate as efficiently as possible.

Appropriate and fair levels of remuneration of executive and senior management is essential to delivering on this commitment. Remuneration structures are aligned with performance, behaviours, purpose, values and culture, and the delivery and achievement of strategy to support long term and sustainable success. The Group considers compensation paid by similar companies as a reference point.

Directors' Report (continued)
For the Year Ended 31 December 2022

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board is responsible for overseeing meaningful engagement with stakeholders, including the workforce, and having regard to their views when taking decisions.

The need to build strong long-standing relationships with both our customers and suppliers is paramount to the success of the Group and its longevity. We continually develop strategies to maintain and grow our client base and further improve relationship with our suppliers.

The Board and the leadership team regularly present to the senior leaders within the Idverde UK group and discuss business performance, strategy and decisions in the regular management meetings. The international leadership team of the ultimate parent company also receive similar updates.

The policy of providing employees with information about the Group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

The Group's approach is to use our long-standing position to create positive change for the people and communities we interact with through a number of initiatives. The Idverde Community Investment Fund aims to empower local people to deliver sought-after projects that improve their local green space or the public realm, enhance the local environment and boost the wellbeing of local people. The Idverde Community Investment Fund, which grants up to £40,000 per year to support community-led projects in the areas where we work. Funding can be granted for a variety of projects and activities, including promotion, marketing, and education, as well as practical equipment and running costs.

We remain committed to keeping carbon management at the top of our business priorities alongside providing nature based solutions for our clients to fight climate change and address global biodiversity loss.

The management is committed and openly engaged with our shareholders through regular Board Meetings and effective dialogue. The shareholders and their representatives are actively engaged in understanding our strategy, culture, people, and the performance of our shared objectives for the short, mid and longer terms.

The Group website provides extensive and up to date news on recent developments for internal and external stakeholders.

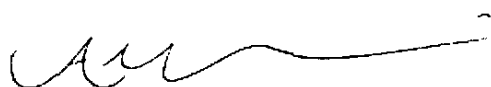
Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



A M Pollins
Director
Date: 29 September 2023

Independent auditors' report to the members of idverde UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, idverde UK Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2022 and of the group's loss and the group's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the Consolidated Statement of Financial Position and Company Statement of Financial Position as at 31 December 2022; the Consolidated Statement of Profit or Loss, Consolidated Statement of Other Comprehensive Income, Consolidated Statement of Cash Flows, Consolidated Statement of Changes in Equity and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 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 an auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of unusual journal entries or manipulating accounting estimates which could be subject to management bias. Audit procedures performed by the engagement team included:

- Enquiry of group and local management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, at the group and component level, and testing accounting estimates (because of the risk of management bias).

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Richard Kay (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
29 September 2023

idverde UK Limited

**Consolidated Statement of Profit or Loss
For the Year Ended 31 December 2022**

	Note	2022 £000	2021 £000
Revenue	6	219,070	203,334
Cost of sales		(202,828)	(192,659)
Gross profit		16,242	10,675
Administrative expenses		(25,939)	(35,277)
Non-underlying costs	11	(6,401)	(3,244)
Operating loss	7	(16,098)	(27,846)
Finance expense	12	(9,874)	(8,844)
Other finance (expense)/income		(1,083)	188
Loss before tax		(27,055)	(36,502)
Tax credit	13	5,490	5,155
Loss for the year		(21,565)	(31,347)

The notes on pages 22 to 67 form part of these financial statements.

idverde UK Limited

**Consolidated statement of other comprehensive income
For the Year Ended 31 December 2022**

		2022	2021
		£000	£000
Loss for the year		(21,565)	(31,347)
Remeasurements of defined benefit pension schemes	26	1,524	(61)
		1,524	(61)
Tax relating to items that will not be reclassified to profit or loss		(381)	8
		(381)	8
Other comprehensive income for the year, net of tax		1,143	(53)
Total comprehensive expense		(20,422)	(31,400)

The notes on pages 22 to 67 form part of these financial statements.

**Consolidated Statement of Financial Position
As at 31 December 2022**

	Note	2022 £000	2021 £000
Assets			
Non current assets			
Property, plant and equipment	14	37,571	35,020
Other intangible assets	15	3,997	7,885
Goodwill	16	67,647	67,647
Employee benefit assets	26	1,727	-
Deferred tax assets	13	10,729	7,129
		121,671	117,681
Current assets			
Inventories	19	2,266	3,436
Trade and other receivables	20	44,675	63,375
Cash and cash equivalents		2,550	5,008
		49,491	71,819
Total assets		171,162	189,500
Liabilities			
Non-current liabilities			
Loans and borrowings	22	105,795	103,984
Employee benefit liabilities	26	-	44
Deferred tax liability	13	3,332	1,047
		109,127	105,075
Current liabilities			
Trade and other liabilities	21	57,761	89,178
Loans and borrowings	22	47,455	16,892
Provisions	23	-	1,114
		105,216	107,184
Total liabilities		214,343	212,259
Net liabilities		(43,181)	(22,759)

idverde UK Limited
Registered number: 06539986

Consolidated Statement of Financial Position (continued)
As at 31 December 2022

	Note	2022 £000	2021 £000
Issued capital and reserves attributable to owners of the parent			
Share capital	24	16,721	16,721
Share premium reserve		15,837	15,837
Retained earnings		(75,739)	(55,317)
		<u>(43,181)</u>	<u>(22,759)</u>
TOTAL EQUITY		<u>(43,181)</u>	<u>(22,759)</u>

The financial statements on pages 14 to 67 were approved and authorised for issue by the board of directors and were signed on its behalf by:



AM Pollins
Director
Date: 29 September 2023

The notes on pages 22 to 67 form part of these financial statements.

idverde UK Limited
Registered number: 06539986

Company Statement of Financial Position
As at 31 December 2022

	Note	2022 £000	2021 £000
Assets			
Non-current assets			
Investments in subsidiaries	18	<u>16,740</u>	<u>16,740</u>
		16,740	16,740
Current assets			
Trade and other receivables	20	<u>55,702</u>	<u>56,747</u>
		55,702	56,747
Total assets		<u>72,442</u>	<u>73,487</u>
Liabilities			
Non-current liabilities			
Loans and borrowings	22	<u>53,659</u>	<u>53,406</u>
		53,659	53,406
Current liabilities			
Trade and other liabilities	21	<u>11,375</u>	<u>17,820</u>
Loans and borrowings	22	<u>12,955</u>	<u>1,572</u>
		24,330	19,392
Total liabilities		<u>77,989</u>	<u>72,798</u>
Net (liabilities)/assets		<u>(5,547)</u>	<u>689</u>
Issued capital and reserves attributable to owners of the parent			
Share capital	24	<u>16,721</u>	<u>16,721</u>
Share premium reserve		<u>15,837</u>	<u>15,837</u>
Retained earnings		<u>(38,105)</u>	<u>(31,869)</u>
TOTAL EQUITY		<u>(5,547)</u>	<u>689</u>

The Company's loss for the year was £5,946,000 (2021 - £8,651,000).

The financial statements on pages 14 to 67 were approved and authorised for issue by the board of directors and were signed on its behalf by:



AM Pollins
 Director
 Date: 29 September 2023

The notes on pages 22 to 67 form part of these financial statements.

idverde UK Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Share capital £000	Share premium £000	Retained earnings £000	Total attributable to equity holders of parent £000	Total equity £000
At 1 January 2021	16,721	15,837	(23,917)	8,641	8,641
Comprehensive income for the year					
Loss for the year	-	-	(31,347)	(31,347)	(31,347)
Other comprehensive expense	-	-	(53)	(53)	(53)
Total comprehensive expense for the year	-	-	(31,400)	(31,400)	(31,400)
At 31 December 2021	16,721	15,837	(55,317)	(22,759)	(22,759)
At 1 January 2022	16,721	15,837	(55,317)	(22,759)	(22,759)
Comprehensive income for the year					
Loss for the year	-	-	(21,565)	(21,565)	(21,565)
Other comprehensive income	-	-	1,143	1,143	1,143
Total comprehensive expense for the year	-	-	(20,422)	(20,422)	(20,422)
At 31 December 2022	16,721	15,837	(75,739)	(43,181)	(43,181)

The notes on pages 22 to 67 form part of these financial statements.

**Company Statement of Changes in Equity
For the Year Ended 31 December 2022**

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2021	16,721	15,837	(23,218)	9,340
Comprehensive income for the year				
Loss for the year	-	-	(8,651)	(8,651)
Other comprehensive expense	-	-	-	-
Total comprehensive expense for the year	-	-	(8,651)	(8,651)
At 31 December 2021	16,721	15,837	(31,869)	689
At 1 January 2022	16,721	15,837	(31,869)	689
Comprehensive income for the year				
Loss for the year	-	-	(5,946)	(5,946)
Other comprehensive expense	-	-	(290)	(290)
Total comprehensive expense for the year	-	-	(6,236)	(6,236)
At 31 December 2022	16,721	15,837	(38,105)	(5,547)

The notes on pages 22 to 67 form part of these financial statements.

idverde UK Limited

**Consolidated Statement of Cash Flows
For the Year Ended 31 December 2022**

	Note	2022 £000	2021 £000
Cash flows from operating activities			
Loss for the year		(21,565)	(31,347)
Adjustments for			
Depreciation of property, plant and equipment	14	11,942	15,297
Amortisation of intangible fixed assets	15	3,888	5,266
Finance expense	12	9,874	8,844
Loss on sale of property, plant and equipment		2,083	1,949
Income tax credit	13	(5,490)	(5,155)
		732	(5,146)
Movements in working capital:			
Decrease/(increase) in trade and other receivables		18,699	(13,617)
Decrease/(increase) in inventories		1,170	(1,173)
(Decrease)/increase in trade and other payables		(27,623)	38,872
(Decrease)/increase in provisions and employee benefits		(1,361)	480
Cash generated from operations		(8,383)	19,416
Income taxes paid		-	(5,102)
Net cash (used in)/from operating activities		(8,383)	14,314
Cash flows from investing activities			
Purchases of property, plant and equipment		(16,576)	(16,000)
Net cash used in investing activities		(16,576)	(16,000)
Cash flows from financing activities			
Proceeds from borrowings		22,501	101,430
Repayment of borrowings		-	(94,840)
Interest paid		-	(8,844)
Net cash from/(used in) financing activities		22,501	(2,254)
Net decrease in cash and cash equivalents		(2,458)	(3,940)
Cash and cash equivalents at the beginning of year		5,008	8,948
Cash and cash equivalents at the end of the year		2,550	5,008

The notes on pages 22 to 67 form part of these financial statements.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

1. Reporting entity

idverde UK Limited (the 'Company') is a limited company incorporated in England in the UK. The Company's registered office is Octavia House, Westwood Way, Westwood Business Park, Coventry, CV4 8JP. These consolidated financial statements comprise the Company and its subsidiaries (collectively the 'Group' and individually 'Group companies'). The Group is primarily involved in providing specialist green services, delivering grounds management, arboriculture, cleansing, park management and consultancy, facilities management and sports & landscape creation services.

2. Basis of preparation

The Group's consolidated and the Company's individual financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as adopted by the UK (collectively IFRSs). They were authorised for issue by the Company's board of directors on 29 September 2023.

Details of the Group's accounting policies, including changes during the year, are included in note 4.

The Company has taken advantage of the exemption available under section 408 of the Companies Act 2006 and elected not to present its own Profit and Loss Account or Statement of Comprehensive Income in these financial statements.

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Group accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas where judgements and estimates have been made in preparing the consolidated financial statements and their effects are disclosed in note 5.

Correction of error in revenue classification

The Group has identified an error in the presentation of revenue by stream in the prior year. This has resulted in a material presentational change, and the error has been corrected by restating each of the revenue streams in the prior year as follows:

	2021 (as previously reported) £000	2021 (as restated) £000
Grounds maintenance	185,603	154,853
Landscape construction	17,731	48,481
	<u>203,334</u>	<u>203,334</u>

There is no impact on the total revenue, loss for the prior year or net assets as previously reported as a result of this change.

2.1 Basis of measurement

The financial statements are prepared under the historical cost convention as modified by the revaluation of certain assets. The measurement basis for those assets and liabilities measured at fair value is details in the accounting policies. Historical cost is general based on the fair value of the consideration given in exchange for the assets.

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2022

Amendments to IFRS 3 Reference to the Conceptual Framework

The Group has adopted the amendments to IFRS 3 Business Combinations for the first time in the current year. The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

i) New standards, interpretations and amendments effective from 1 January 2022 (continued)

Amendments to IAS 16 Property, Plant and Equipment - Proceeds before Intended Use

The Group has adopted the amendments to IAS 16 Property, Plant and Equipment for the first time in the current year. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract

The Group has adopted the amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets for the first time in the current year. The amendments specify that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle

The Group has adopted the amendments included in the Annual Improvements to IFRS Accounting Standards 2018-2020 Cycle for the first time in the current year. The Annual Improvements include amendments to four standards.

IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a firsttime adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Accounting Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16(a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

i) New standards, interpretations and amendments effective from 1 January 2022 (continued)

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

New standards, interpretations and amendments not yet effective

The following standards and interpretations to published standards are not yet effective:

New standard or interpretation	EU Endorsement status	Mandatory effective date (period beginning)
IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts	Effective from 1.1.2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Material Judgements	Disclosure of Accounting Policies	Effective from 1.1.2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	Definition of Accounting Estimates	Effective from 1.1.2023
Amendments to IAS 12 Income Taxes	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Effective from 1.1.2023

The directors do not expect that the adoption of the new Standard and amendments to the existing Standards listed above will have a material impact on the consolidated financial statements of the Group in future periods, except if indicated below.

Insurance Contracts and Amendments to IFRS 17

(Effective for accounting periods beginning on or after 1 January 2023)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model will use current assumptions to estimate the amount, timing and uncertainty of future cash flows and it will explicitly measure the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

i) New standards, interpretations and amendments effective from 1 January 2022 (continued)

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies

(Effective for accounting periods beginning on or after 1 January 2023)

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The IASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023, with earlier application permitted by the IASB and are applied prospectively. The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

(Effective for accounting periods beginning on or after 1 January 2023)

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". The definition of a change in accounting estimates was deleted. However, the IASB retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

2. Basis of preparation (continued)

2.2 Changes in accounting policies (continued)

i) New standards, interpretations and amendments effective from 1 January 2022 (continued)

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

The amendments are effective for annual periods beginning on or after 1 January 2023 to changes in accounting policies and changes in accounting estimates that occur on or after the beginning of that period, with earlier application permitted by the IASB.

Amendments to IAS 12 Income Taxes –Deferred Tax related to Assets and Liabilities arising from a Single Transaction

(Effective for accounting periods beginning on or after 1 January 2023)

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The IASB also adds an illustrative example to IAS 12 that explains how the amendments are applied. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset
- The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023, with earlier application permitted by the IASB.

The directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated financial statements in future periods should such transactions arise.

3. Functional and presentation currency

These consolidated financial statements are presented in pound sterling, which is the Company's functional currency. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at this time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.1 Basis of consolidation (continued)

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and its calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent account under IAS 39, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

4.2 Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report at the beginning of these accounts. The financial position of the Group is set out in the Consolidated Balance Sheet on page 17 and its cash flows in the Consolidated Cash Flow Statement on page 21. Details of the Group's borrowings and financial instruments are set out in note 21.

Idverde UK Limited and its UK subsidiaries are directly and indirectly funded by a Luxembourg parent company Armoriga Lux Sarl through inter-company arrangements which are repayable in the future periods. No significant cash or external borrowings are held in the UK. Due to this, the company is reliant on support and has received a letter of support from Armoriga Lux Sarl, indicating that it will continue to make funds available to the company and will not seek repayment of any amounts owed, where such repayment could impair the liquidity of the company. This will enable to the company to continue in operational existence for the foreseeable future. The letter covers a period of at least 12 months from the date of signing the financial statements. The directors have assured the ability of the Lux parent company to provide support and in doing so reviewed the going concern assessment of the Lux parent company.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.3 Revenue

Revenue from service contracts represents the fair value of work performed in connection with grounds maintenance services, excluding value added tax. Revenue from long term landscape construction projects is accounted for under the principles of long term contract accounting and is recognised on the basis of an assessment of fair value of works performed, exclusive of value added tax. Differences between this and amounts invoiced are held as amounts recoverable on contract or payments on account. Full provision for loss-making contracts is made for any foreseeable losses. In general payment terms are agreed in the service contract and paid promptly by local authority clients.

In determining fair value, consideration is given to pricing, amount of work done and expected future costs.

An entity need not adjust the promised amount of consideration for the effects of a significant financing component if the entity expects, at contract inception, that the period between when the entity transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

4.4 Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. It is measured at cost plus profit recognised to date (see the revenue accounting policy) less a provision for foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

4.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in the 'Loans and borrowings' line in the Consolidated Statement of Financial Position.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.5 Leasing (continued)

The Group as a lessee (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property, Plant and Equipment' line in the Consolidated Statement of Financial Position.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.5 Leasing (continued)

The Group as a lessee (continued)

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 4.11.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has used this practical expedient.

4.6 Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined..

4.7 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. In general the Group does not receive government grants or other government assistance.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.8 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The Group determines the net interest on the net defined benefit liability/asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit liability/(asset). The discount rate is the yield at the reporting date on bonds that have a credit rating of at least AA that have maturity dates approximating the terms of the Group's obligations and that are denominated in the currency in which the benefits are expected to be paid. Re-measurements arising from defined benefit plans comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest). The Group recognises them immediately in other comprehensive income and all other expenses related to defined benefit plans in employee benefit expenses in profit or loss.

The calculation of the defined benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan or reductions in future contributions and takes into account the adverse effect of any minimum funding requirements.

4.9 Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease.

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Financing income and expenses

Financing expenses comprise interest payable and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.10 Taxation

Tax on the profit or loss 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 directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

4.11 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Land is not depreciated. Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Freehold property	2% to 10% straight line
Leasehold property	evenly over term of lease
Plant and machinery	8% - 100% straight line
Motor vehicles	10% - 33% straight line
Fixtures and fittings	10% - 33% straight line

4.12 Intangible assets

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the income statement as an expense as incurred.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.12 Intangible assets (continued)

Internally-generated intangible assets (continued)

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Customer contracts 8 years

4.13 Impairment excluding inventories and deferred tax assets

Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units, or ("CGU"). Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment is tested reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.13 Impairment excluding inventories and deferred tax assets (continued)

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first in, first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

4.15 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.16 Financial instruments

Classification of financial instruments issued by the Group

Following the adoption of IAS 32, financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

4. Accounting policies (continued)

4.16 Financial instruments (continued)

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

5. Accounting estimates and judgements

5.1 Judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses.

The nature of the Group's business is such that there can be unpredictable variation and uncertainty regarding its business. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Judgements made in respect of IFRS15 Revenue from Contracts with Customers is described in Accounting Policy 4.3.

5.2 Estimates and assumptions

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

5. Accounting estimates and judgements (continued)

5.2 Estimates and assumptions (continued)

Receivables

Due to the nature of some services provided by certain businesses within the Group the recoverability of receivables can be subject to management estimates. Management estimation is required in measuring and recognising provisions and otherwise determining the exposure to unrecoverable debts. Sensitivity is limited through the Group's credit control procedures and the overall high quality of the Group's customer base, although it is acknowledged that some customer concentration can mean that adjustments could be material. Note 27 includes further detail on recoverability estimates.

Useful lives of depreciable assets

The depreciation charge for an asset is derived using estimates of its expected useful life and expected residual value, which are reviewed annually. Increasing an asset's expected life or residual value would result in a reduced depreciation charge in the consolidated income statement.

Management determines the useful lives and residual values for assets when they are acquired, based on experience with similar assets and taking into account other relevant factors such as any expected changes in technology or regulations.

Fair value measurement associated with Defined Benefit Schemes

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. See sensitivity analysis in note 26.

Deferred tax asset

The Group recognises a deferred tax asset in respect of temporary differences relating to capital allowances, revenue losses and other short term temporary differences when it considers there is sufficient evidence that the asset will be recovered against future taxable profits.

Recoverability of goodwill and other non current assets and investment in subsidiaries

The company annually considers whether goodwill and associated non current assets as well as the Company's investments are impaired. Where an indication of impairment is identified following a trigger assessment, the determination of the recoverable amount requires estimation.

The carrying value is compared to the recoverable amount, being the higher of the value in use and the fair value less costs of disposals and adjusted accordingly.

The Directors have determined that the key assumptions are the forecast cashflows, which are predicted to grow at 385% over the next 5 years, a pre-tax discount rate of 10.6% and long term growth rate of 2.3%.

The Group CGU, which includes all goodwill and other non-current assets of £113 million is sensitive to a change in key estimate, where a reduction in forecast cashflow of £1.07 million per annum into perpetuity, an increase in the discount rate of 0.44% or a reduction in the long term growth rate of 0.6% would lead to an impairment.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

6. Revenue

The following is an analysis of the Group's revenue for the year from continuing operations:

	2022	<i>As restated</i>
	£000	2021 £000
Grounds maintenance	177,159	154,853
Landscape construction	41,911	48,481
	219,070	203,334

Turnover arises solely within the United Kingdom.

7. Operating loss

The loss before income tax is stated after charging:

	2022	2021
	£000	£000
Depreciation	11,942	15,297
Amortisation	3,888	5,266
Foreign exchange differences	1,083	188
Non-underlying costs (see note 11)	6,401	3,244

8. Auditors' remuneration

During the year, the Group obtained the following services from the Group's auditors and their associates:

	2022	2021
	£000	£000
Fees payable to the 's auditors and their associates for the audit of the consolidated and parent Company's financial statements	381	53
Fees payable to the 's auditors and their associates in respect of:		
The auditing of accounts of subsidiaries of the Group	-	105
All non-audit services not included above	-	39

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

9. Employee benefit expenses

Group

	2022	2021
	£000	£000
Employee benefit expenses (including directors) comprise:		
Wages and salaries	90,934	85,029
Social security costs	8,866	7,508
Other pension costs	2,879	2,959
Expenses related to defined benefit pension plans held by the group	167	188
	102,846	95,684

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Company listed on page 7, and the Financial Controller of the Company.

	2022	2021
	£000	£000
Salary	2,330	2,454
Defined contribution scheme costs	53	72
	2,383	2,526

Company

Company employee benefits and expenses £nil.

The monthly average number of persons, including the directors, employed by the Group during the year was as follows:

	2022	2021
	No.	No.
Administrative staff	141	133
Field operational including managers	3,372	3,254
Executive and non-executive directors	10	11
	3,523	3,398

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

10. Directors' remuneration

	2022	2021
	£000	£000
Directors' remuneration	1,398	1,084
Company contributions to pension plan	33	28
	1,431	1,112

During the year, retirement benefits were accruing to the following number of directors in respect of qualifying services:

	2022	2021
Defined contribution schemes	3	4

During the year ended 31 December 2022 the company made loans to directors amounting to £74,663 for the purpose of acquisition of shares in Armorica Lux Holdings S.C.A. Balance outstanding at of year £74,663 (2021 £ nil). No interest is payable and the loan is repayable in full at a liquidity event.

The highest paid director's emoluments were as follows:

	2022	2021
	£000	£000
Total emoluments and amounts receivable under long-term incentive schemes (excluding shares)	549	343
	549	343

Pension contributions included in above were £nil (2021: £nil).

11. Non underlying costs

In the year ended 31 December 2022 the Group incurred £6,401,000 (2021: £20,662,000) of costs predominantly related to corrections of historical process and control issues in the group and ongoing project costs to implement the control environment.

idverde UK Limited

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

12. Finance income and expense

Recognised in profit or loss

	2022	2021
	£000	£000
Finance expense		
Loans and other finance expenses	9,874	8,844
Total finance expense	9,874	8,844
Net finance expense recognised in profit or loss	(9,874)	(8,844)

13. Tax expense

13.1 Income tax recognised in profit or loss

	2022	2021
	£000	£000
Current tax		
Current tax on profits for the year	-	(624)
Adjustments in respect of prior years	(3,794)	(728)
Total current tax	(3,794)	(1,352)
Deferred tax expense		
Origination and reversal of timing differences	(5,685)	(4,360)
Adjustments in respect of prior years	3,989	102
Changes to tax rates	-	142
Total deferred tax	(1,696)	(4,116)
	(5,490)	(5,468)
Total tax expense		
Tax expense excluding tax on sale of discontinued operation and share of tax of equity accounted associates and joint ventures	(5,490)	(5,468)
	(5,490)	(5,468)

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

13. Tax expense (continued)

13.1 Income tax recognised in profit or loss (continued)

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to losses for the year are as follows:

	2022	2021
	£000	£000
Loss for the year	(21,564)	(31,347)
Income tax credit/expense (including income tax on associate, joint venture and discontinued operations)	(5,490)	(5,468)
Loss before income taxes	(27,054)	(36,815)
Tax using the Company's domestic tax rate of 19% (2021:19%)	(5,140)	(6,995)
Non-tax deductible amortisation of goodwill and impairment	738	-
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	1,524	879
Capital allowances for the year in excess of depreciation	(597)	37
Adjustments to tax charge in respect of prior periods	(544)	(133)
Other timing differences leading to an increase/(decrease) in taxation	-	536
Effects of tax reliefs and incentives	-	(167)
Movement in deferred tax not recognised	(107)	1,461
Effect of change in tax rate recognised in the income statement	(1,364)	(1,086)
Total tax expense	(5,490)	(5,468)

Changes in tax rates and factors affecting the future tax charges

As part of the Finance Bill 2020, which was substantively enacted on 17 March 2020, the corporation tax main rate is to remain at 19% until 31 March 2023. Following the end of the accounting period, the UK government have announced that the main rate will increase on 1 April 2023 to 25% for companies with taxable profits above £250,000. Companies with taxable profits below £50,000 will continue to pay at 19%, and marginal relief will apply between these thresholds.

This change was part of the Finance Bill 2021, which was substantively enacted in May 2021. Deferred taxes have been measured using rates substantively enacted at the reporting date.

idverde UK Limited

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

13. Tax expense (continued)

13.2 Income tax recognised in other comprehensive income

	2022	2021
	£000	£000
Deferred tax		
Arising on income and expenses recognised in other comprehensive income	(381)	8
	(381)	8
	(381)	8

13.3 Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated statement of financial position:

	2022	2021
	£000	£000
Deferred tax assets	10,729	7,129
Deferred tax liabilities	(3,332)	(1,047)
	7,397	6,082

	2022	2021
	£000	£000
Intangible assets	(3,368)	(4,340)
Property, plant and equipment	379	2,818
Tax losses	10,701	4,110
Other timing differences	(315)	3,494
	7,397	6,082

	2022	2021
	£000	£000
At 1 January	6,082	974
Charged to the profit and loss account	1,696	4,116
Deferred tax on pension costs	(381)	8
Other movements	-	984
At 31 December	7,397	6,082

Based on future profitability expectations a deferred tax asset has been recognised.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022

14. Property, plant and equipment

Group

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Right of use assets £000	Total £000
Cost or valuation							
At 1 January 2021	364	964	33,962	10,547	5,544	22,779	74,160
Additions	-	2	4,542	389	626	10,441	16,000
Disposals	(112)	(3)	(2,635)	(2,770)	(407)	(1,193)	(7,120)
Transfers between classes	-	515	293	113	(921)	-	-
At 31 December 2021	252	1,478	36,162	8,279	4,842	32,027	83,040
Additions	-	107	8,647	1,467	146	6,211	16,578
Disposals	-	(293)	(12,677)	(6,892)	(1,042)	-	(20,904)
At 31 December 2022	252	1,292	32,132	2,854	3,946	38,238	78,714

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022

14. Property, plant and equipment (continued)

	Freehold property £000	Long-term leasehold property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Right of use assets £000	Total £000
Accumulated depreciation and impairment							
At 1 January 2021	73	438	22,168	4,310	3,174	7,731	37,894
Charge owned for the year	15	196	5,392	2,660	774	-	9,037
Charged financed for the year	-	-	-	-	-	6,260	6,260
Disposals	-	(2)	(2,258)	(2,343)	(264)	(304)	(5,171)
Transfers between classes	-	(17)	-	17	-	-	-
At 31 December 2021	88	615	25,302	4,644	3,684	13,687	48,020
Charge owned for the year	13	137	5,431	(981)	575	-	5,175
Charged financed for the year	-	-	-	-	-	6,767	6,767
Disposals	-	(152)	(11,401)	(6,303)	(963)	-	(18,819)
At 31 December 2022	101	600	19,332	(2,640)	3,296	20,454	41,143
Net book value							
At 1 January 2021	291	526	11,794	6,237	2,370	15,048	36,266
At 31 December 2021	164	863	10,860	3,635	1,158	18,340	35,020
At 31 December 2022	151	692	12,800	5,494	650	17,784	37,571

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

14. Property, plant and equipment (continued)

14.1. Assets held under leases

The net book value of owned and leased assets included as "Property, plant and equipment" in the Consolidated Statement of Financial Position is as follows:

	2022 £000	2021 £000
Property, plant and equipment owned	19,787	16,411
Right-of-use assets	17,784	18,609
	<u>37,571</u>	<u>35,020</u>

Information about right-of-use assets is summarised below:

Net book value

	2022 £000	2021 £000
Right-of-use assets	17,784	18,609
	<u>17,784</u>	<u>18,609</u>

Depreciation charge for the year ended

	2022 £000	2021 £000
Right-of-use assets	6,767	6,260
	<u>6,767</u>	<u>6,260</u>

Assets held under finance leases are generally covered by a restriction on title in favour of the finance lease provider. Obligations to finance lease providers amount to £10,750 at 31 December 2022.

idverde UK Limited

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

15. Intangible assets

Group

	Customer contracts £000
Cost	
At 1 January 2021	24,084
At 31 December 2021	<u>24,084</u>
At 31 December 2022	<u>24,084</u>
	Customer contracts £000
Accumulated amortisation and impairment	
At 1 January 2021	10,933
Charge for the year - owned	5,266
At 31 December 2021	<u>16,199</u>
Charge for the year - owned	3,888
At 31 December 2022	<u>20,087</u>
Net book value	
At 1 January 2021	13,151
At 31 December 2021	<u>7,885</u>
At 31 December 2022	<u>3,997</u>

The intangible assets relate to customer contracts valued on acquisition.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

16. Goodwill

Group

	2022 £000	2021 £000
Cost	74,800	74,800
Accumulated impairment	(7,153)	(7,153)
	67,647	67,647
	2022 £000	2021 £000
Cost		
At 1 January	74,800	74,800
At 31 December	74,800	74,800
Accumulated impairment		
At 1 January	7,153	7,153
At 31 December	7,153	7,153

idverde UK Limited

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

17. Subsidiaries

Details of the Group's material subsidiaries at the end of the reporting period are as follows:

Name of subsidiary	Principal activity	Class of shares	Proportion of ownership interest and voting power held by the Group (%)	
			2022	2021
1) idverde Holdings Limited	Holding company	Ordinary	100	100
2) idverde Limited*	Grounds maintenance and landscape construction	Ordinary	100	100
3) Quadron Services Limited*	Grounds maintenance	Ordinary	100	100
4) Blythe Valley Limited*	Arboriculture services	Ordinary	100	100
5) KJT Group Limited*	Grounds maintenance, arboriculture and traffic management	Ordinary	100	100
6) Aspho Surfacing Limited*	Highway services	Ordinary	100	100
7) Assist Solutions Group Limited*	Holding company	Ordinary	100	100
8) Assist Support Group Limited*	Holding company	Ordinary	100	100
9) Assist Managed Services Limited*	Grounds maintenance and arboriculture	Ordinary	100	100
10) T.C.L. Holdings (Parent) Limited	Holding company	Ordinary	100	100
11) T.C.L. Holdings (Midco) Limited	Holding company	Ordinary	100	100
12) T.C.L. Holdings Limited*	Holding company	Ordinary	100	100
13) Ice Watch Limited*	Winter maintenance	Ordinary	100	100
14) G Burley & Sons Limited*	Grounds maintenance and arboriculture	Ordinary	100	100
15) T.C. Landscapes Limited*	Holding company	Ordinary	100	100
16) PFG Holdings Limited*	Holding company	Ordinary	100	100
17) Landscaping Centre (Holdings) Limited*	Holding company	Ordinary	100	100
18) Landscaping Services Limited*	Grounds maintenance and landscape construction	Ordinary	100	100

* Owned by a subsidiary company

The registered office for all of these companies is Octavia House, Westwood Way, Westwood Business Park, Coventry, CV4 8JP, other than Landscaping Centre (Holdings) Limited, which is, 181b Templepatrick Road, Ballyclare, Antrim, BT39 0RA.

All subsidiaries share the same year end as idverde UK Limited.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**
18. Investments in subsidiaries
Company

	Note	2022 £000	2021 £000
Investments in subsidiary companies	17	16,740	16,740
		16,740	16,740

19. Inventories
Group

	2022 £000	2021 £000
Raw materials and consumables	2,266	3,436
	2,266	3,436

In the directors' opinion the replacement cost of the inventory is not materially different to its carrying value.

20. Trade and other receivables
Group

	2022 £000	2021 £000
Trade receivables	25,258	43,889
Trade receivables - net	25,258	43,889
Receivables from related parties	1,745	3,516
Total financial assets other than cash and cash equivalents classified as loans and receivables	27,003	47,405
Accrued income	16,561	14,228
Prepayments	1,111	1,742
Total trade and other receivables	44,675	63,375
Less: current portion - trade receivables	(25,258)	(43,889)
Less: current portion - prepayments and accrued income	(17,672)	(15,970)
Less: current portion - receivables from related parties	(1,745)	(3,516)
Total current portion	(44,675)	(63,375)
Total non-current portion	-	-

idverde UK Limited

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

20. Trade and other receivables (continued)

Company

	2022 £000	2021 £000
Receivables from related parties	55,702	56,746
Total financial assets other than cash and cash equivalents classified as loans and receivables	55,702	56,746
Prepayments and accrued income	-	1
Total trade and other receivables	55,702	56,747
Total current portion	(55,702)	(56,747)

21. Trade and other payables

Group

	2022 £000	2021 £000
Trade payables	15,717	23,761
Payables to related parties	16,229	27,558
Other payables	2,127	1,381
Accruals	18,919	29,298
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	52,992	81,998
Other payables - tax and social security payments	4,769	7,180
Total trade and other payables	57,761	89,178
Less: current portion - trade payables	(15,717)	(23,761)
Less: current portion - payables to related parties	(16,229)	(27,558)
Less: current portion - other payables	(6,896)	(8,561)
Less: current portion - accruals	(18,919)	(29,298)
Total current portion	(57,761)	(89,178)
Total non-current position	-	-

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

21. Trade and other payables (continued)

Company

	2022	2021
	£000	£000
Payables to related parties	11,359	17,803
Accruals	16	17
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	11,375	17,820
Less: current portion - payables to related parties	(11,359)	(17,803)
Less: current portion - accruals	(16)	(17)
Total current portion	(11,375)	(17,820)
Total non-current position	-	-

22. Loans and borrowings

Group

	2022	2021
	£000	£000
Non-current		
Parent company loans	87,928	87,514
Lease liabilities	17,867	16,470
	105,795	103,984
Current		
Parent company loans	37,415	6,879
Lease liabilities	10,040	10,013
	47,455	16,892
Total loans and borrowings	153,250	120,876

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

22. Loans and borrowings (continued)

Company

	2022 £000	2021 £000
Non-current		
Parent company loans	53,659	53,406
	53,659	53,406
Current		
Parent company loans	12,955	1,572
	12,955	1,572
Total loans and borrowings	66,614	54,978

23. Provisions

Group

	Onerous contracts £000
At 1 January 2022	1,114
Utilised during the year	(1,114)
At 31 December 2022	-
	-

Onerous contract provisions relate to a number of onerous contracts from existing contracts and those that have been identified following acquisitions undertaken by the Group.

The cash flows associated with the provisions above are expected to be settled within one year and therefore are classified as current.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

24. Share capital

Authorised

	2022 Number	2022 £000	2021 Number	2021 £000
Shares treated as equity				
Ordinary shares of £0.01 each	1,672,094,000	16,721	1,672,094,000	16,721
	<u>1,672,094,000</u>	<u>16,721</u>	<u>1,672,094,000</u>	<u>16,721</u>

Issued and fully paid

	2022 Number	2022 £000	2021 Number	2021 £000
Ordinary shares of £0.01 each				
At 1 January and 31 December	1,672,094,000	16,721	1,672,094,000	16,721
	<u>1,672,094,000</u>	<u>16,721</u>	<u>1,672,094,000</u>	<u>16,721</u>

idverde UK Limited

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

25. Leases

Group

(i)

Lease liabilities are due as follows:

	2022 £000	2021 £000
Not later than one year	10,040	10,013
Between one year and five years	17,545	15,688
Later than five years	322	782
	27,907	26,483
Lease liabilities included in the Consolidated Statement of Financial Position at 31 December	27,907	26,483
Non-current	17,867	16,470
Current	10,040	10,013

The following amounts in respect of leases have been recognised in profit or loss:

	2022 £000	2021 £000
Interest expense on lease liabilities	778	359

Right of use assets and their related contracts are primarily in respect of motor vehicles and properties from which the Group operates. These are fixed term and generally only cancellable by negotiation and payment of any remaining liability. Finance lease assets are primarily plant and machinery used to perform the Group services. Note 27 shows the finance lease liability cashflow timing.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

26. Defined benefit schemes

(i) Defined benefit scheme characteristics and funding

idverde Limited

The company sponsors the Federated Pension Plan (FPP) which is a funded defined benefit arrangement. This is a separate trustee administered fund holding the pension plan assets to meet long term pension liabilities for 11 active members, 18 deferred members and 24 pensioner members as at 5 April 2022. The level of retirement benefit is principally based on salary earned in the last three years of employment prior to leaving active service and is linked to changes in inflation up to retirement.

The plan is subject to the funding legislation, which came into force on 30 December 2005, outlined in the Pensions Act 2004. This, together with documents issued by the Pensions Regulator, and guidance notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK.

The trustees of the plan are required to act in the best interest of the plan's beneficiaries. The appointment of the trustees is determined by the plan's trust documentation. It is policy that at least one third of all trustees should be nominated by the members.

A full actuarial valuation was carried out as at 5 April 2022. The actuarial valuation showed a 98% funding level. Although there was a deficit at the valuation date, the funding level has improved significantly since the valuation date and as at 31 January 2023 the Section was expected to be over 150% funded on the scheme funding valuation. As a consequence, and allowing for the expected de-risking of the investments, the employer and Trustees have agreed that no deficit contributions are payable.

The calculated overall future service rate, based on market conditions at 31 January 2023 and allowing for the expected de-risking of the investment strategy, is 35.5% of pensionable pay, inclusive of member contributions. The employer and Trustees have agreed that total future service contributions should be paid at this rate. In addition the company has agreed to pay scheme administrative costs of £3300 per month, death in service life insurance premiums and the PPF levy.

For the purposes of IAS19, the actuarial valuation as at 5 April 2022, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 31 December 2022. There have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures.

idverde UK Limited

The Group operates a defined contribution pension scheme for certain past employees and, for eligible employees, a scheme providing benefits based on final pensionable pay. The assets of the pension schemes are held separately from those of the company, being invested by an independent investment manager.

The Group's final salary pension scheme is now closed to new entrants. The total contributions per the schedule of contributions for the year ended 31 December 2022 were £421,000 (2021: £534,000). The group expects to continue to contribute to the schemes at similar levels next year. Outstanding contributions payable to the fund at the balance sheet date were £Nil (2021: £Nil).

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

26. Defined benefit schemes (continued)

(i) Defined benefit scheme characteristics and funding (continued)

The Group sponsors the plan which is a funded defined benefit arrangement. This is a separate trustee administered fund holding the pension plan assets to meet long term pension liabilities for some 154 past employees and 225 pensioners at 5 April 2022 (the date of the last triennial funding valuation). The level of retirement benefit is principally based on the highest annual average pensionable salary over 36 consecutive months in the ten years prior to retirement or withdrawal and is linked to changes in inflation up to retirement.

The plan is subject to the funding legislation, which came into force on 30 December 2005, outlined in the Pensions Act 2004. This, together with documents issued by the Pensions Regulator, and Guidance Notes adopted by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension plans in the UK.

The trustees of the plan are required to act in the best interest of the plan's beneficiaries. The appointment of the trustees is determined by the plan's trust documentation.

The defined benefit scheme was established under an irrevocable Deed of Trust by Quadron Services Limited for its employees and those of subsidiary undertakings. The Deed determines the appointment of trustees to the fund. The scheme was subsequently transferred to idverde UK Limited.

A full actuarial valuation was carried out as at 5 April 2022 in accordance with the scheme funding requirements of the Pensions Act 2004 and the funding of the plan is agreed between the Group and the trustees in line with those requirements. These in particular require the surplus/deficit to be calculated using prudent, as opposed to best estimate, actuarial assumptions.

This actuarial valuation showed a deficit of £380,000 (a reduction from £2,682,000 at the previous triennial valuation on 5 April 2019). The Trustee and the Employers have agreed a recovery plan in order to eliminate the deficit. Under the agreed plan, the Employers will pay contributions of £397,838 per annum from 6 April 2022 to 5 July 2023, £409,773 per annum 6 April 2023 to 5 July 2023 and £187,000 per annum 6 July 2023 to 5 November 2024.

Contributions to the defined benefit scheme are determined by a qualified actuary using the projected unit method. The full actuarial valuation for the scheme as a whole as at 5 April 2022 was updated to 31 December 2022 by a qualified actuary and showed that the market value of the scheme's assets was £17.6 million (2021: £27.1 million) and that the value of these assets exceed the benefits that had accrued to members.

For the purposes of IAS19 the actuarial valuation as at 5 April 2022, which was carried out by a qualified Independent actuary, has been updated on an approximate basis to 31 December 2022. There have been no changes in the valuation methodology adopted for this year's disclosures compared to the previous year's disclosures except that mortality assumptions have been updated to the latest available data.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

26. Defined benefit schemes (continued)

idverde Limited

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme asset/(liability)	
	2022	2021	2022	2021	2022	2021
	£000	£000	£000	£000	£000	£000
Balance at 1 January	(3,671)	(3,345)	3,627	3,194	(44)	(151)
Service cost - current	(161)	(152)	-	-	(161)	(152)
Expenses	-	(27)	(36)	-	(36)	(27)
Interest cost	(60)	(47)	59	45	(1)	(2)
Included in profit or loss	(221)	(226)	23	45	(198)	(181)
Remeasurement gain						
Actuarial gain from:						
- Demographic assumptions	3	7	-	-	3	7
- Financial assumptions	1,728	(169)	-	-	1,728	(169)
- Adjustments (expenses)	(238)	(33)	-	-	(238)	(33)
Return on plan assets (excluding interest)	-	-	321	283	321	283
Included in other comprehensive income	1,493	(195)	321	283	1,814	88
Participant contributions	(21)	(21)	21	21	-	-
Employer contributions	-	-	155	200	155	200
Benefits paid	61	116	(61)	(116)	-	-
Other movements	40	95	115	105	155	200
Balance at 31 December	(2,359)	(3,671)	4,086	3,627	1,727	(44)

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

26. Defined benefit schemes (continued)

Composition of plan assets:

	2022 £000	2021 £000
Equity	2,071	1,647
Bonds	-	861
Insurance policy	1,173	1,087
Cash	25	32
Derivatives	817	-
Total plan assets	4,086	3,627

Defined benefit costs

	2022 £000	2021 £000
Service cost - current	161	152
Expenses	36	27
Interest cost	1	2
Included in profit or loss	198	181
Remeasurement loss/(gain)		
Actuarial loss/(gain) from:		
- Demographic assumptions	(3)	(7)
- Financial assumptions	(1,728)	169
- Adjustments (expenses)	238	33
Return on plan assets (excluding interest)	(321)	(283)
Included in other comprehensive income	(1,814)	(88)
Other movements	-	-
Balance at 31 December	(1,616)	93

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

26. Defined benefit schemes (continued)

Actuarial assumption

The principal actuarial assumptions used in the determining calculating the present value of the defined benefit obligation (weighted average) include:

	2022	2021
Discount rate	5.00 %	1.60 %
Inflation (RPI)	3.20 %	3.50 %
Inflation (CPI)	2.75 %	3.00 %
	130% of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2021 converging to 1.25 % p.a.	130% of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2020 converging to 1.25 % p.a.
Post-retirement mortality assumption		
Salary growth	2.00% (4% in 2023 & 2024)	2.00 %
Longevity at retirement age (current pensioners)		
- Males	20.2 years	20.2 years
- Females	22.6 years	22.5 years
Longevity at retirement age (future pensioners)		
- Males	21.5 years	21.5 years
- Females	24.1 years	24.0 years

The mortality assumptions adopted 31 December 2022 imply the following life expectancies:

	Life expectancy at age 65 years
Male retiring in 2022	20.2
Female retiring in 2022	22.5
Male retiring in 2042	21.5
Female retiring in 2042	24.0

The weighted-average duration of the defined benefit obligation at *31 December* was 13.5 years (2021: 20 years).

Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption content, is presented in the table below:

Actual assumption	Reasonably possible change	Defined benefit obligation	
		Increase	Decrease
Discount rate	(-/ + 0.25%)	2,441	(2,441)
Price inflation	(+/- 0.25%)	2,440	(2,440)
Salary increase rate	(+/- 0.25%)	2,371	(2,371)
Future mortality rates	(+/- 1 year age rating)	2,419	(2,419)

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022

26. Defined benefit schemes (continued)

idverde UK Limited

	Defined benefit obligation		Fair value of scheme assets		Effect of asset ceiling		Net defined scheme liability	
	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000	2022 £000	2021 £000
Balance at 1 January	(24,599)	(24,839)	27,058	24,614	(2,459)	-	-	(225)
Service cost - current	-	-	(131)	(161)	-	-	(131)	(161)
Interest income	(437)	(344)	485	345	-	-	48	1
Impact of surplus restriction	-	-	(48)	-	-	-	(48)	-
Included in profit or loss	(437)	(344)	306	184	-	-	(131)	(160)
Remeasurement loss/(gain) Actuarial loss/(gain) from:								
- Demographic assumptions	17	52	-	-	-	-	17	52
- Financial assumptions	8,376	(369)	-	-	-	-	8,376	(369)
- Adjustments (expenses)	277	369	-	-	-	-	277	369
Return on plan assets (excluding interest)	-	-	(9,632)	2,258	-	-	(9,632)	2,258
Change in asset ceiling (excluding interest)	-	-	-	-	624	(2,459)	624	(2,459)
Impact of surplus restriction	-	-	48	-	-	-	48	-
Included in other comprehensive income	8,670	52	(9,584)	2,258	624	(2,459)	(290)	(149)
Employer contributions	-	-	421	534	-	-	421	534
Benefits paid	624	532	(624)	(532)	-	-	-	-
Other movements	624	532	(203)	2	-	-	421	534
	(15,742)	(24,599)	17,577	27,058	(1,835)	(2,459)	-	-

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**
26. Defined benefit schemes (continued)
Composition of plan assets:

	2022	2021
	£000	£000
Equity	2,872	11,089
Gilts/LDI	4,558	4,146
Divested growth fund/target return funds	9,795	11,526
Insured annuities	199	256
Cash	153	41
Total plan assets	17,577	27,058

Defined benefit costs

	2022	2021
	£000	£000
Administration expenses	131	161
Interest cost	(48)	(1)
Impact of surplus restriction	48	1
Included in profit or loss	131	161
Remeasurement loss/(gain)		
Actuarial loss/(gain) from:		
- Demographic assumptions	(17)	(52)
- Financial assumptions	(8,376)	369
- Adjustments (expenses)	(277)	(369)
Return on plan assets (excluding interest)	9,632	(2,258)
Impact of surplus restriction	(48)	(1)
Change in asset ceiling (excluding interest)	(624)	2,459
Included in other comprehensive income	290	148
Other movements	-	-
Balance at 31 December	421	309

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022**

26. Defined benefit schemes (continued)

Actuarial assumption

The principal actuarial assumptions used in the determining calculating the present value of the defined benefit obligation (weighted average) include:

	2022	2021
Discount rate	4.90 %	1.80 %
Inflation (RPI)	3.75 %	3.60 %
Inflation (CPI)	3.00 %	2.75 %
	100% of the S3PMA and S3PFA tables, using CMI_2021 Core Improvements and a 1.25 % p.a. improvement rate	100% of the S3PMA and S3PFA tables, using CMI_2021 Core Improvements and a 1.25 % p.a. improvement rate
Post-retirement mortality assumption		
Rate of increase for non-GMP pensions in deferment	3.00 %	2.75 %
Longevity at retirement age (current pensioners)		
- Males	22.1 years	21.9 years
- Females	24.4 years	24.3 years
Longevity at retirement age (future pensioners)		
- Males	23.4 years	23.3 years
- Females	25.8 years	25.8 years

The weighted-average duration of the defined benefit obligation at 31 December was 13.0 years (2021: 17. years).

Sensitivity analysis

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumption content, is presented in the table below:

Actual assumption	Reasonably possible change	Defined benefit obligation	
		Increase	Decrease
Discount rate	(-/+ 0.25%)	525,000	(525,000)
Increase in inflation	(+/- 0.25%)	404,000	(404,000)
Future mortality rates	Life expectancy increased by 1 year	568,000	(568,000)

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27. Financial instruments - fair values and risk management

Financial risk management objectives

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade receivables.

The carrying amount of financial assets at the statement of financial position date was as follows:

Group	2022 £000	2021 £000
Trade and other receivables	44,675	63,375
Cash and cash equivalents	<u>2,550</u>	<u>5,008</u>
	<u>47,225</u>	<u>68,383</u>
Company	2022 £000	2021 £000
Trade and other receivables	55,702	56,746
Cash and cash equivalents	<u>-</u>	<u>-</u>
	<u>55,702</u>	<u>56,746</u>

Credit quality of financial assets and impairment losses

The ageing of trade receivables at the balance sheet date was:

Group	2022		2021	
	Gross £000	Net of impairment £000	Gross £000	Net of impairment £000
Not past due	14,992	14,992	17,025	17,025
Past due 0 - 30 days	4,871	4,871	7,800	7,800
Past due 30 - 120 days	1,956	1,956	12,087	12,087
Past due more than 120 days	6,680	3,439	11,023	7,049
	<u>28,499</u>	<u>25,258</u>	<u>47,935</u>	<u>43,961</u>

All other receivables are not past due (2021: not past due).

The movement in the allowance for impairment in respect of trade receivables during the year was as follows:

	2022 £000	2021 £000
Opening balance	3,974	728
Impairment loss provided/(reversed)	<u>(733)</u>	<u>3,246</u>
	<u>3,241</u>	<u>3,974</u>

The allowance account for trade receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible; at that point the amounts considered irrecoverable are written off against the trade receivables directly.

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Company

All trade and other receivables are not past due (2021: not past due).

No impairment is held at company level (2021: £nil).

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

idverde UK Limited, with the support of its parent and the Group's principal shareholder, actively maintains a mixture of long term and short term debt finance that is designed to ensure the Group has sufficient available funds for operations and planned expansions.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the effect of netting agreements:

Group

	Carrying amount £000	Contractual cash flows £000	2022 year or less £000	1 to 2 years £000	2 to 5 years £000	5 years and over £000
<i>Non-derivative financial liabilities</i>						
Loan notes	-	-	-	-	-	-
Intercompany loans	125,343	125,343	37,415	-	-	87,928
Finance lease liabilities	9,976	10,750	4,431	3,106	3,213	-
Trade and other payables	57,761	57,761	57,761	-	-	-
	<u>193,080</u>	<u>193,854</u>	<u>99,607</u>	<u>3,106</u>	<u>3,213</u>	<u>87,928</u>
			2021			
	Carrying amount £000	Contractual cash flows £000	1 year or less £000	1 to 2 years £000	2 to 5 years £000	5 years and over £000
<i>Non-derivative financial liabilities</i>						
Loan notes	-	-	-	-	-	-
Interest bearing loans	87,514	87,514	-	-	-	87,514
Parent company loans	6,879	6,879	6,879	-	-	-
Finance lease liabilities	7,997	7,997	3,904	2,492	1,602	-
Trade and other payables	91,783	91,783	91,783	-	-	-
	<u>194,173</u>	<u>194,173</u>	<u>102,566</u>	<u>2,492</u>	<u>1,602</u>	<u>87,514</u>

The intercompany loans from parent companies are demoninated in GBP. Cash pool loan balances are denominated in Euros. The exchange loss in 2022 was £1,083,000 (2021: £188,000 exchange gain).

28. Capital commitments

At 31 December 2022, the Group had entered into contracts for the purchase of property, plant and equipment of £164,000 (2021: £1,517,000).

29. Subsidiary audit exemptions

The consolidated subsidiaries of idverde UK Limited are all exempt from the requirements of the Act relating to the audit of individual accounts under section 479A of the Companies Act 2006.

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30. Related party transactions and balances

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. Details of transactions between the Group and other related parties are disclosed below.

A loan to idverde UK Ltd, the company, from Armorica Lux SARL for a principal amount of £55,526,000 (2021: £55,526,000), accrues interest at 6.5% above the SONIA rate. As at 31 December 2022, the principal amount outstanding was £55,526,000 (2021: £55,526,000), presented as a non current parent company loan for the Company (note 22) including the remaining unamortised loan fee, net total £53,659,000 (2021: £53,406,000).

Another loan exists between Armorica Lux SARL and idverde Holdings Limited for a principal amount of £35,462,000 (2021: £35,462,000). The loan accrued interest at 6.5% above SONIA. As at 31 December 2022, the principal amount outstanding was £35,462,000 (2021: £35,462,000), presented as a non current parent company loan for the Group (note 22) including the remaining unamortised loan fee, net total £34,269,000 (2021: £34,108,000).

Group Non current parent company loans represents the amount of the two loans and remaining unamortised loan fee held with Armorica Lux SARL, net total £87,928,000 (2021: £87,514,000)

The accumulated interest on these loans, along with cash pooling arrangements with Armorica Lux SARL are presented as current parent company loans. Group £37,415,000 (2021: £6,879,000), company £12,955,000 (2021: £1,572,000).

The Group receives management charges from Armorica Lux SARL amounting to €2,776,094 for 2022 (2021: €2,262,899).

The following amounts were outstanding at the balance sheet date, recorded in Trade and Other Receivables and Trade and Other Payables (notes 20 and 21)

	Receivables from related parties		Payables to Related Parties	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Group				
Idverde SAS	155	2,459	(13,767)	(23,596)
Armorica Holdings SAS	1,590	1,057		
ARMORICA LUX SARL	-	-	(2,462)	(3,962)
	<u>1,745</u>	<u>3,516</u>	<u>(16,229)</u>	<u>(27,558)</u>
Company				
idverde Ltd	313	313	(11,359)	(11,005)
idverde Holdings Ltd	55,389	52,917	-	-
Idverde SAS	-	2,459	-	-
Armorica Holdings SAS	-	1,057	-	(3,566)
ARMORICA LUX SARL	-	-	-	(3,232)
	<u>55,702</u>	<u>56,746</u>	<u>(11,359)</u>	<u>(17,803)</u>

Sale of goods and purchase of goods to and from related parties are made at arm's length.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Receivables from Idverde SAS and Armorica Holdings SAS represent recharge of group costs

Payables to Armorica Lux SARL relate to management charges the Group receives.

Payables to idverde SAS represent short term cash loans

No expenses has been recognised in the year for provision in respect of amounts owed by related parties.

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31. Controlling party

The Company's immediate parent company is idverde SAS, a company incorporated in France. The financial statements are available from 4 AV ANDRE MALRAUX, Levallois-Perret, 92300, France.

At the year end, the largest group of undertakings for which group accounts are drawn up is Armorica Topco SCA, the ultimate parent company, registered in Luxembourg and controlled by Core Equity Holdings LP.

32. Dividends

Dividends of £nil were paid during the year (2021: £nil).

No dividends were proposed or declared (2021: £nil).

33. Events after the reporting date

No material post balance sheet events to note.