

GREENS POWER LIMITED

FINANCIAL STATEMENTS

30 JUNE 2023

GREENS POWER LIMITED

COMPANY INFORMATION

Directors

Christopher Campbell
Matthew Crewe
Philip Raymond Emmerson
Gold Round Limited (resigned 13 October 2022)
W2S Directors Limited (appointed 28 October 2022)

RJP Secretaries Limited (resigned 25 January 2023)

Company secretary

Cossey Cosec Services Limited (appointed 25 January 2023)

Registered number

05067893

Registered office

4th Floor
24 Old Bond Street
Mayfair
London
W1S 4AW

Independent auditors

Armstrong Watson Audit Limited
Chartered Accountants & Statutory Auditor
York House
Thornfield Business Park
Northallerton
DL6 2XQ

GREENS POWER LIMITED

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**STRATEGIC REPORT
FOR THE PERIOD ENDED 30 JUNE 2023**

Introduction

The directors present their strategic report for the 12 months ended 30 June 2023.

Principal activity

Green's designs, manufactures and provides aftermarket services for industrial boiler equipment including economisers, heat exchangers and heat recovery systems that can be found throughout the world. Its primary markets are energy (including biomass, waste to energy and conventional fuels) industrial, petrochemical and marine.

Business review

In the year to 30 June 2023 the business showed growth in revenue of 6.5%, delivering turnover of £14.1m. However, despite this revenue growth, the impact of one onerous installation contract and significant inflationary pressures, resulted in the business being loss making in the year, with an operating loss of £0.8m.

Like many businesses, costs were impacted by the significant and sustained increase in energy prices, as well as generally inflationary pressure in the market, notably payroll costs.

Also, during the year, the business undertook a large and onerous installation contract in the UK. The project was more complex than first envisaged, as well as there being a number of specific issues on the customer's site, significantly increasing the time taken and manpower required to complete the installation.

Whilst some additional revenue was agreed with the customer, the business made a large loss on this project, resulting in lost contribution of c£0.4m. This project has now been completed and all costs accounted for in the 2022/23 financial year.

Despite this, order intake was at its highest levels post-pandemic, with a significant order book having been built up at June 2023, equivalent to over eight months revenue at 2022/23 levels.

The business continued to have significant international reach, with c. 50% of projects by revenue delivered outside the UK in 2022/23, with a high level of work from its existing customers, underlining the businesses reputation for quality.

Despite the trading loss the business retained an underlying net asset position and the cash position at 30 June 2023 was strong, with cash and cash equivalents of £0.5m, with the business continuing to retain the support of its investors and funding partners.

Post year end trading performance in the first half of the 2023/24 financial year has returned to profitability, as the significant order book built up at the end of the 2022/23 financial year is delivered, as well as a benefit being seen from a stabilisation in energy and material prices, and in some cases a reduction in costs, improving underlying margins.

The business has also carried out a review of its underlying cost based and plans have already been implemented to reduce this by £0.5m, which has contributed to the improvement in trading performance.

Overall, despite the uncertain economic outlook, the business has returned to profitability in the 2023/24 financial year and given the good visibility over revenue from a strong order book, active market sectors in which the business operates and, more stable input prices, is expected to remain profitable throughout the 2023/24 financial year.

GREENS POWER LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2023

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks affecting the core activities of the business are set out below. Risks are reviewed by the board and appropriate processes put in place to monitor and mitigate them.

- Brexit – Impact on the ease and customers' willingness to source from the UK, or impacting the cost of materials.
- Raw materials prices – The impact of the Covid 19 pandemic and also other factors on raw materials input prices, as well as global supply chains.
- Covid 19 – The continued impact on our core markets resulting in delays to new orders or availability of materials - or a significant outbreak or further lockdowns resulting in contract delays for our customers.
- Foreign exchange – Significant foreign exchange movements in the Euro or US Dollar. Hedging is used to mitigate this risk when appropriate.

Financial key performance indicators

Our key performance indicators are

- On time delivery – All key contracts have been delivered on time with the exception of a few Covid related delays due to the strained global supply chains, which were successfully managed with our customers.
- Quality – Our weld repair ratio remained at exceptional levels at under 1%.
- Safety first – Accident rate per man hour is trending downwards year on year and near misses tracked below target levels.
- Financial performance – Achieve operating and net profitability. The business continued to operate profitably during the year, despite the external challenges of the Covid 19 pandemic.

Future developments

The focus for the next financial year is on maintaining its strong relationships with key customers to help maintain and grow revenue, whilst delivering the existing order book. There will also continue to be a focus on costs, to help maintain cost reductions and improvements in margin seen in the first half of the 2023/24 financial year.

This will ensure that the business continues to trade profitability, strengthening its cash position.

The Directors do not anticipate any significant changes in products or key markets in the immediate future.

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

.....
Matthew Crewe
Director

Date: 28 March 2024

GREENS POWER LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 30 JUNE 2023

The directors present their report and the financial statements for the period ended 30 June 2023.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the period, after taxation, amounted to £924,469 (2022 - profit £22,822).

Directors

The directors who served during the period were:

Christopher Campbell
Matthew Crewe
Philip Raymond Emmerson
Gold Round Limited (resigned 13 October 2022)
W2S Directors Limited (appointed 28 October 2022)

Matters covered in the Strategic Report

Information is not shown in the directors' report because it is shown in the strategic report under s414C(11). The strategic report includes a business review, principal risks and uncertainties and financial key performance indicators.

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'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's auditors are aware of that information.

GREENS POWER LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2023**

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Armstrong Watson Audit Limited, 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.

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Matthew Crewe

Director

Date: 28 March 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENS POWER LIMITED

Opinion

We have audited the financial statements of Greens Power Limited (the 'Company') for the period ended 30 June 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENS POWER LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENS POWER LIMITED (CONTINUED)

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:

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, such as the Health & Safety at Work Act 1974 and Companies Act 2006;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures as a risk assessment tool to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions; and
- reviewed the operating effectiveness of certain controls over purchase cycles on a sample basis.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GREENS POWER LIMITED (CONTINUED)

Due to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing fraud or non-compliance with laws and regulations and cannot be expected to detect all fraud and non-compliance with laws and regulations.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Turner (Senior Statutory Auditor)
for and on behalf of

Armstrong Watson Audit Limited

Chartered Accountants

Statutory Auditor

Northallerton

28 March 2024

GREENS POWER LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2023

	Note	2023 £	2022 £
Turnover	4	14,074,887	13,283,594
Cost of sales		(11,644,334)	(10,297,301)
Gross profit		2,430,553	2,986,293
Administrative expenses		(3,339,852)	(2,939,367)
Operating (loss)/profit	5	(909,299)	46,926
Interest payable and similar expenses	9	(15,170)	(24,104)
(Loss)/profit before tax		(924,469)	22,822
(Loss)/profit for the financial period		(924,469)	22,822
Other comprehensive income for the period			
Total comprehensive income for the period		(924,469)	22,822

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

The notes on pages 13 to 25 form part of these financial statements.

GREENS POWER LIMITED
REGISTERED NUMBER: 05067893

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	306,918	423,926
		<u>306,918</u>	<u>423,926</u>
Current assets			
Stocks	12	328,670	206,696
Debtors: amounts falling due within one year	13	4,582,135	4,926,642
Cash at bank and in hand	14	489,264	867,045
		<u>5,400,069</u>	<u>6,000,383</u>
Creditors: amounts falling due within one year	15	(4,561,475)	(4,236,919)
Net current assets		<u>838,594</u>	<u>1,763,464</u>
Total assets less current liabilities		<u>1,145,512</u>	<u>2,187,390</u>
Creditors: amounts falling due after more than one year	16	-	(117,409)
Net assets		<u><u>1,145,512</u></u>	<u><u>2,069,981</u></u>
Capital and reserves			
Called up share capital	18	2,876,924	2,876,924
Profit and loss account		(1,731,412)	(806,943)
		<u><u>1,145,512</u></u>	<u><u>2,069,981</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
Matthew Crewe

Director

Date: 28 March 2024

The notes on pages 13 to 25 form part of these financial statements.

GREENS POWER LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2023

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2022	2,876,924	(806,943)	2,069,981
Comprehensive income for the period			
Loss for the period	-	(924,469)	(924,469)
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	(924,469)	(924,469)
Total transactions with owners	-	-	-
At 30 June 2023	2,876,924	(1,731,412)	1,145,512

The notes on pages 13 to 25 form part of these financial statements.

GREENS POWER LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2021	2,876,924	(829,765)	2,047,159
Comprehensive income for the year			
Profit for the year	-	22,822	22,822
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	22,822	22,822
Total transactions with owners	-	-	-
At 30 June 2022	2,876,924	(806,943)	2,069,981

The notes on pages 13 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**

1. General information

The company is a private company, limited by shares, incorporated and domiciled in the United Kingdom. It's registered office address is 4th Floor 24 Old Bond Street, Mayfair, London, United Kingdom, W1S 4AW and its principal place of business is Unit 6, Regent Drive, Prudhoe, NE42 6PX.

The principal activity of the company is the design, manufacture and provision of aftermarket services for individual boiler equipment.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Heat Exchange Group Limited as at 30 June 2023 and these financial statements may be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the current trading position and macro economic factors impacting the business as part of their going concern assessment. The view of the directors is that, while they acknowledge the uncertainty in the market, the directors feel that the company is well placed to negotiate the unique set of conditions currently facing the UK economy. The company's current level of cash is positive and the directors have taken strategic measures to safeguard the company.

In reaching their conclusion, the directors have considered cash flow forecasts that cover a period of at least 12 months from the date of sign off of the financial statements, applied sensitivity analyses as appropriate and have taken advantage of the wider financial support available to the company from the wider group. FCap One Limited, principal secured lender, has provided a formal letter of support indicating their continued financial support, barring unforeseen circumstances, to Greens Power Limited for a period of at least 12 months from the date of sign off of the financial statements.

After consideration of all factors, the directors continue to adopt the going concern basis in preparing the financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 20% on cost
Plant and machinery	- 20% on cost and 10% on cost
Motor vehicles	- 33% on cost
Fixtures and fittings	- 20% on cost and 33% on cost
Computer equipment	- 33% on cost

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

2. Accounting policies (continued)

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of these financial statements requires management to make judgements, estimates and assumptions that effect the application and reported amounts of assets and liabilities, income and expenses.

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

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will be, by definition, seldom equal to the related actual results.

Management estimate the stage of completion of long term contracts by comparing actual costs incurred to forecasts, relying on their past experience and expertise to ensure those estimates are accurate.

GREENS POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**

4. Turnover

The whole of the turnover is attributable to the company's principal activity.

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	7,079,708	6,757,994
Rest of the world	6,995,179	6,525,600
	<u>14,074,887</u>	<u>13,283,594</u>

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

	2023 £	2022 £
Exchange differences	(55,013)	(316)
Other operating lease rentals	418,454	303,707
Depreciation	<u>196,685</u>	<u>230,066</u>

6. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>10,000</u>	<u>10,000</u>

GREENS POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2023	2022
	£	£
Wages and salaries	3,581,649	2,831,350
Social security costs	384,674	306,919
Cost of defined contribution scheme	126,431	182,126
	<u>4,092,754</u>	<u>3,320,395</u>

The average monthly number of employees, including the directors, during the period was as follows:

	2023	2022
	No.	No.
Production	43	32
Administration and support	28	28
	<u>71</u>	<u>60</u>

8. Directors' remuneration

	2023	2022
	£	£
Directors' emoluments	117,549	78,354
Company contributions to defined contribution pension schemes	5,478	46,000
	<u>123,027</u>	<u>124,354</u>

9. Interest payable and similar expenses

	2023	2022
	£	£
Other loan interest payable	6,381	15,148
Finance leases and hire purchase contracts	8,789	8,956
	<u>15,170</u>	<u>24,104</u>

GREENS POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

10. Taxation

	2023 £	2022 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Tax on (loss)/profit	-	-

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit on ordinary activities before tax	(924,469)	22,822
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	(175,649)	4,336
Effects of:		
Utilisation of tax losses	175,649	(4,336)
Total tax charge for the period/year	-	-

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

GREENS POWER LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023

11. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation						
At 1 July 2022	483,874	1,490,565	11,000	156,813	336,068	2,478,320
Additions	30,354	23,884	-	3,646	21,753	79,637
At 30 June 2023	514,228	1,514,449	11,000	160,459	357,821	2,557,957
Depreciation						
At 1 July 2022	411,594	1,157,555	11,000	154,239	320,006	2,054,394
Charge for the period on owned assets	51,082	129,885	-	2,271	13,407	196,645
At 30 June 2023	462,676	1,287,440	11,000	156,510	333,413	2,251,039
Net book value						
At 30 June 2023	51,552	227,009	-	3,949	24,408	306,918
At 30 June 2022	72,280	333,010	-	2,574	16,062	423,926

12. Stocks

	2023 £	2022 £
Raw materials and consumables	104,051	67,524
Work in progress (goods to be sold)	224,619	139,172
	328,670	206,696

GREENS POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**

13. Debtors

	2023 £	2022 £
Trade debtors	1,660,996	2,036,839
Amounts owed by group undertakings	1,677,931	1,677,931
Other debtors	49,580	2,001
Prepayments and accrued income	1,193,628	1,209,871
	<u>4,582,135</u>	<u>4,926,642</u>

14. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	489,264	867,045
	<u>489,264</u>	<u>867,045</u>

15. Creditors: Amounts falling due within one year

	2023 £	2022 £
Payments received on account	900,030	775,039
Trade creditors	1,105,496	1,432,766
Amounts owed to group undertakings	889,909	290,149
Other taxation and social security	279,891	338,074
Obligations under finance lease and hire purchase contracts	122,225	100,063
Other creditors	173,000	164,017
Accruals and deferred income	1,090,924	1,136,811
	<u>4,561,475</u>	<u>4,236,919</u>

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

GREENS POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**

16. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Net obligations under finance leases and hire purchase contracts	-	117,409
	<u>-</u>	<u>117,409</u>
	<u>-</u>	<u>117,409</u>

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023	2022
	£	£
Within one year	95,246	100,063
Between 1-5 years	22,163	117,409
	<u>117,409</u>	<u>217,472</u>
	<u>117,409</u>	<u>217,472</u>

18. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
2,876,924 (2022 - 2,876,924) Ordinary shares of £1.00 each	<u>2,876,924</u>	<u>2,876,924</u>

Ordinary shares have the following rights, preferences and restrictions:

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights to redemption.

19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £125,974 (2022 - £177,589). Contributions totalling £26,850 (2022 - £19,982) were payable to the fund at the reporting date and are included in creditors.

GREENS POWER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023**

20. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	481,810	294,445
Later than 1 year and not later than 5 years	1,927,239	340,000
Later than 5 years	833,945	162,000
	<u>3,242,994</u>	<u>796,445</u>

21. Related party transactions

The Company has taken advantage of the exemption contained in Section 33 of FRS 102 "Related Party Disclosures" from disclosing transactions with the entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available.

22. Ultimate controlling party

The parent company of the smallest group in which the company is consolidated is Heat Exchange Group Limited, a company registered in England & Wales. No individual has ultimate control of the company.

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