

Registered number: 06539986

idverde UK Limited

Financial statements

For the Year Ended 31 December 2020

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idverde UK Limited

Company Information

Directors

H Lancon
A K Gomm
S Huxley
J H R Groleau (appointed 19 April 2021)
C M Pullen (appointed 19 April 2021)

Registered number

06539986

Registered office

Octavia House
Westwood Way
Westwood Business Park
Coventry
CV4 8JP

Independent auditors

Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
2nd Floor
168 Shoreditch High Street
London
E1 6RA

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**Group Strategic Report
For the Year Ended 31 December 2020**

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

During 2019 three strategic acquisitions were completed in order to provide the Group with expanded coverage across the UK and to diversify its service provision to local authority and private commercial clients. Whilst additional acquisition activity was planned for 2020 the Group made the decision to complete integration of the 2019 acquisitions as the impact of the COVID-19 pandemic was carefully assessed.

The pandemic had a significant influencing factor over the business during 2020 and a number of operations were impacted. With the closure of construction sites between March and July, revenue streams were materially reduced during this period – particularly across landscape creation and residential development activities. On a very positive side, reduced construction sector activity was balanced by continuing operations within idverde's grounds maintenance contracts. Government initiatives enabled the continuation of services to the majority of idverde's Local Authority customers.

The UK management team mobilised its efforts very well in order to minimise financial and operational impacts to the business but most importantly to ensure the good health, safety and wellbeing of its 4,000 colleagues. As with many businesses idverde is dependent on the hard work and dedication of its workforce and in return values their contribution above all else. Many of the Group's activities are outdoor based which helped prevent any significant level of infection within the teams. Office based workers where possible were enabled to work from home. This together facilitated the business in being able to provide excellent continuity to the customer base and ensured that the business continued to function as optimally as possible.

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.

During the year, idverde won or re-secured a number of significant long-term contracts, most notably:

- idverde's ground maintenance, sports field and cemetery management contract with Royal Borough of Kensington & Chelsea was re-secured for a new ten year term commencing in April 2021 with an option to extend for a further five years.
- idverde's strategic contract with Wiltshire Council for ground maintenance services was extended for a further two and a half years from June 2020.
- idverde's ground maintenance contract with Warwick District Council was re-secured for a new eight year term commencing in April 2021 with an option to extend for a further eight years. This contract was re-secured alongside additional new street cleansing service provision for the same contractual term.
- idverde's ground maintenance contract with Teignbridge District Council was re-secured for a new four year term commencing in December 2020.
- A new three year contract with Central Swindon North Parish Council commenced in August 2020 for ground maintenance services. This new contract has an option for a further two years.
- A new three year contract with Scottish Power commenced in March 2020 for ground maintenance services.

Group Strategic Report (continued)
For the Year Ended 31 December 2020

The above re-secured and new contracts complement very well the growing order book that has been secured across idverde's landscape creation, residential development landscaping, playground and traffic management services.

Following the new business won in the year, the Group (of which idverde Limited is the main operating subsidiary) has a forward contractual order book including available extensions in excess of £800 million. At the end of 2020, the bid pipeline remains healthy with £365 million in opportunities either being prepared or having been submitted waiting decision from the customer.

Management continues to address the issues surrounding the reducing budgets of many of idverde's public sector clients, working even closer with them to help achieve their budget reductions and service delivery objectives, ensuring the Group protects its margin at the same time as delivering customer objectives. This approach together with idverde's enviable track record of securing contract extensions has meant that it continues to develop its first strategic objective to "keep and improve what we have got".

Key performance indicators ("KPIs")

Turnover

Turnover for the year was £201,072,000 (2019: £167,985,000). Turnover increased due to the full year impact of the 2019 acquisitions together with new significant contract wins that commenced during the year. Even with the reduction in activity directly as a result of the pandemic, this represents a very encouraging performance.

Gross Profit

The gross profit margin for the period was 14.5% (year ended 31 December 2019: 12.2%), the increase was due to a change in the mix of contracts under management together with the changes noted in the Turnover KPI. In addition the change in blend of activities directly as a result of the COVID-19 pandemic has had a positive effect on the margin % delivered, albeit at a lower absolute level of profit than had been planned. At the start of new contracts and when contracts are retained, the margin is lower as new operational practices are deployed.

Operating Profit Margin %

The underlying operating profit margin (excluding non-underlying costs) for the period was 1.25% (year ended 31 December 2019: 2.43%), the decrease on prior year was directly linked to the impact described within the Gross Profit KPI. There have been some efficiency gains within Overheads following the integration of the 2019 acquisitions, however, this has been overshadowed by the impact caused by the pandemic.

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.

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 within the UK. Both Brexit and the lingering impact of manufacturing facility closures due to the pandemic have led to a supply squeeze in certain products such as timber, cement and playground equipment. idverde continues to work with its customer base in order to mitigate the impact of unavoidable material price increases.

Group Strategic Report (continued)
For the Year Ended 31 December 2020

Credit Risk

The group has implemented policies that require appropriate credit checks on potential customers before sales are made. During 2020 the group utilised credit insurance for significant private sector transactions. There were no occasions during 2020 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.

During 2020, idverde UK chose to take advantage of UK Government business support initiatives namely in relation to deferring PAYE and VAT which would otherwise have been paid in the period between March and June 2020. As at the time of signing this report, all deferred PAYE and VAT has been repaid.

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 OHSAS18001. As part of our Integrated Management System, idverde conducts regular risk assessments and audits with management committed to improving controls and processes. idverde's Board regularly reviews such risk assessments together with related health and safety matters. All of the key indicators showed an improving trend throughout the year. 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. The ongoing programme in 2020 continues to train its directors and managers. 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.

Streamlined energy and carbon reporting (SECR)

Energy usage and greenhouse gas emissions reported here are for the year ended 31st December 2020 which will also serve as the baseline year for the company's carbon footprint going forward.

Energy Usage

Source	kWh
Electricity	1,585,692
Gas	947,873
Burning oil	51,732
LPG	3,329
Transport (Liquid Fuels & Business miles)	74,576,024
Total energy usage	77,164,649

Carbon Emissions

The above energy and fuel use equates to 18,705.14 tCO₂e.

For the purposes of illustrating a 'carbon intensity', this equates to 92.83 tCO₂e per £1m turnover.

For the purposes of illustrating a 'carbon impact rate' that can be more easily related to our people and our activities, we have also prepared the following measures. These values include all carbon emissions and are based on the total hours worked at all locations (both operational and support functions).

CO₂e per average hour worked = 3.73 kgCO₂e

CO₂e per average 100,00 hours worked (indicative of the working life of a colleague) = 373.85 tCO₂e

Group Strategic Report (continued)
For the Year Ended 31 December 2020

Our data and calculations have been validated by a third party for the purpose of this report.

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 2020)

- Further purchase of electric battery powered machinery and equipment to the value of £185,459
- The 'normal' replacement programme of Combustion engine vehicles has been held in 2020 in preparation for the new car policy so no new Diesel or Petrol cars have been added to the fleet in this period
- In light of the above and as an absolute necessity, there have been minimal further purchases of Hybrid engine vehicles (6 hybrid cars added to our fleet)
- Driver awareness training
- Vehicle idling monitoring and training
- Offsetting of 18,705.14 tCO₂e with carbon credits – as recognition that our business activities have had an impact on the planet this reporting year and should rightly be compensated for

Ongoing Action

The majority of our sustainability efforts in 2020 have been directed into the preparation of a longer-term strategy for managing our sustainability performance including the reduction of carbon emissions and energy consumption. Amongst our activities this reporting year we have been preparing:

- Our new company car policy which is designed to transition our car fleet to electric and hybrid vehicles, with a priority on EV wherever feasible
- To deploy the latest electric small commercial vehicles into our fleet
- To deploy the latest electric 3.5ton light commercial vehicles into our fleet
- Further push the take up of battery and alternative fuel plant and equipment as a standard approach wherever possible
- Our group level sustainability commitments which include an action to sensitise the entire workforce to the climate emergency and reduce our company carbon footprint
- To join the UN Climate Neutral Now initiative in September 2021
- An approach to quantify Scope 3 emissions, starting with colleague commuting, business travel and supply chain impacts
- Preparing a carbon roadmap to get the company to Net Zero with interim emission reduction targets
- To migrate our static energy portfolio to a renewable supply for all premises within our control and reduce carbon emissions by approximately 500 Tons CO₂e

Group Strategic Report (continued)
For the Year Ended 31 December 2020

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.

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.

idverde UK Limited

Group Strategic Report (continued)
For the Year Ended 31 December 2020

This report was approved by the board on 28 January 2022 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'C. Pullen', followed by a short horizontal line.

C M Pullen
Director

**Directors' Report
For the Year Ended 31 December 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

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 EU.

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 EU, 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.

Results and dividends

The loss for the year, after taxation, amounted to £9,008,000 (2019 - loss £4,392,000).

The directors do not recommend payment of a dividend.

Post Statement of Financial Position

At the time of signing the accounts the directors were aware of the continuing economic and social effects of the COVID-19 pandemic. The full impact of the pandemic on the UK economy is gradually unfolding, but the Group will continue to seek to mitigate the ongoing risk by following the UK Government's guidelines and continually adapting/developing its own internal strategy.

Going concern

At 31 December 2020, the Group has net current liabilities of £5,889,000 (2019: net current liabilities £2,052,000) as shown on page 18. The directors consider the Group to be a going concern on the basis that results of the Group since 31 December 2020 and forecasts prepared indicate that the Group is able to operate within its current facilities.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

Directors' Report (continued)
For the Year Ended 31 December 2020

Future developments

The Group is expected to continue its reorganisation to better approach the landscape it now operates in. It is also expected that it will continue its growth process by acquisitions in the areas it is already established in and in new areas.

Employment of disabled persons

Applications for employment by disabled persons are always considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

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 Work Based Diplomas in 12 industry specific frameworks. 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.

Communications with staff include a monthly newsletter distributed to all colleagues. Toolbox talks are given regularly to provide updates on general company information and health and safety issues. The company continues to facilitate "brown bag lunches" where a member of the senior leadership team hosts a general discussion over lunchtime with up to 20 colleagues. This provides a forum for the colleagues to discuss company issues and plans with the management team. It has been a resounding success during the past three years it has been operating with excellent colleague feedback. Since its inception in 2017, over 750 colleagues have attended a session.

Prior year restatement

The split of non-current and current bank loans has been restated to correctly reflect the £971,000 which should be classified as a current liability. This has no impact on the consolidated figures, nor the equity balance as at 31 December 2019.

Matters covered in the strategic report

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

Directors' Report (continued)
For the Year Ended 31 December 2020
Directors

The directors who served during the year were:

N Temple-Heald (resigned 12 October 2020)
D J Graham (resigned 19 April 2021)
H Lancon
E Faivre D'Arcie (resigned 19 April 2021)
J E Rhodes (resigned 30 July 2021)
A K Gomm
S Huxley

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.

Auditors

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

This report was approved by the board on 28 January 2022 and signed on its behalf.



C M Pullen
Director

Independent Auditors' Report to the Members of idverde UK Limited

Opinion

We have audited the financial statements of idverde UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Profit or Loss, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cash Flows, the Company Statement of Cash Flows, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies set out on pages 27 - 36. The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 December 2020 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements 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 Group and the parent 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 Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Independent Auditors' Report to the Members of idverde UK Limited (continued)

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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditors' Report to the Members of idverde UK 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:

Capability of the audit in detecting irregularities, including fraud

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud or error; and to respond appropriately to those risks.

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. 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 preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. 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 inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements.

Audit procedures performed by the group engagement team and component auditors included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Independent Auditors' Report to the Members of idverde UK Limited (continued)

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Group's and the parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for the audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

idverde UK Limited

Independent Auditors' Report to the Members of idverde UK Limited (continued)

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.

Kreston Reeves LLP

Robert Sellers FCCA (Senior Statutory Auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

London

28 January 2022

**Consolidated Statement of Profit or Loss
For the Year Ended 31 December 2020**

	Note	2020 £000	2019 £000
Revenue	6	201,072	167,985
Cost of sales		(171,830)	(147,495)
Gross profit		29,242	20,490
Other operating income	7	1,460	-
Administrative expenses		(28,191)	(16,413)
(Loss) from operations (before non-underlying expenses)		(26,731)	(16,413)
Non-underlying expenses		(3,227)	(4,998)
Loss from operations		(716)	(921)
Finance income	12	6	8
Finance expense	12	(8,334)	(4,181)
Other finance expense	26	(26)	(57)
Loss before tax		(9,070)	(5,151)
Tax credit	13	62	759
Loss for the year		(9,008)	(4,392)

The notes on pages 27 to 66 form part of these financial statements.

**Consolidated statement of other comprehensive income
For the Year Ended 31 December 2020**

		2020 £000	2019 £000
Loss for the year		(9,008)	(4,392)
Remeasurements of defined benefit pension schemes	26	<u>853</u>	<u>406</u>
		853	406
Income tax on items that will not be reclassified to profit or loss	13	<u>(162)</u>	<u>(69)</u>
		(162)	(69)
Other comprehensive income for the year, net of tax		<u>691</u>	<u>337</u>
Total comprehensive income		<u>(8,317)</u>	<u>(4,055)</u>

The notes on pages 27 to 66 form part of these financial statements.

**Consolidated Statement of Financial Position
As at 31 December 2020**

	Note	2020 £000	2019 £000
Assets			
Non-current assets			
Property, plant and equipment	14	36,265	40,787
Other intangible assets	15	13,151	18,260
Goodwill	16	67,647	68,023
Deferred tax assets	13	1,518	757
		<u>118,581</u>	<u>127,827</u>
Current assets			
Inventories	19	2,263	3,497
Trade and other receivables	20	49,758	48,316
Cash and cash equivalents		8,948	4,344
		<u>60,969</u>	<u>56,157</u>
Total assets		<u>179,550</u>	<u>183,984</u>
Liabilities			
Non-current liabilities			
Loans and borrowings	22	103,131	108,265
Employee benefit liabilities	26	376	1,509
Deferred tax liability	13	544	3,147
		<u>104,051</u>	<u>112,921</u>
Current liabilities			
Trade and other liabilities	21	55,461	45,324
Loans and borrowings	22	11,155	7,946
Provisions	23	242	835
		<u>66,858</u>	<u>54,105</u>
Total liabilities		<u>170,909</u>	<u>167,026</u>
Net assets		<u>8,641</u>	<u>16,958</u>
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		(23,917)	(15,600)
		<u>8,641</u>	<u>16,958</u>
Total equity		<u>8,641</u>	<u>16,958</u>

idverde UK Limited
Registered number: 06539986

Consolidated Statement of Financial Position (continued)
As at 31 December 2020

The financial statements on pages 17 to 66 were approved and authorised for issue by the board of directors on 28 January 2022 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'C M Pullen', followed by a horizontal line.

C M Pullen
Director

The notes on pages 27 to 66 form part of these financial statements.

idverde UK Limited
Registered number: 06539986

**Company Statement of Financial Position
As at 31 December 2020**

	2020 £000	As restated 2019 £000
Assets		
Non-current assets		
Other non-current investments	16,740	16,740
Trade and other receivables	51,764	51,765
	<u>68,504</u>	<u>68,505</u>
Current assets		
Trade and other receivables	3,941	2,684
Cash and cash equivalents	4	4
	<u>3,945</u>	<u>2,688</u>
Total assets	<u>72,449</u>	<u>71,193</u>
Liabilities		
Non-current liabilities		
Loans and borrowings	52,660	50,794
	<u>52,660</u>	<u>50,794</u>
Current liabilities		
Trade and other liabilities	8,999	3,179
Loans and borrowings	1,450	1,484
	<u>10,449</u>	<u>4,663</u>
Total liabilities	<u>63,109</u>	<u>55,457</u>
Net assets	<u>9,340</u>	<u>15,736</u>
Issued capital and reserves attributable to owners of the parent		
Share capital	16,721	16,721
Share premium reserve	15,837	15,837
Retained earnings	(23,218)	(16,822)
Total equity	<u>9,340</u>	<u>15,736</u>

The Company's loss for the year was £6,396,000 (2019 - £2,152,000).

The financial statements on pages 17 to 66 were approved and authorised for issue by the board of directors on 28 January 2022 and were signed on its behalf by:



C M Pullen
Director

The notes on pages 27 to 66 form part of these financial statements.

**Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Share capital £000	Share premium £000	Retained earnings £000	Total attributable to equity holders of parent £000	Total equity £000
At 1 January 2019	16,721	15,837	(11,545)	21,013	21,013
Comprehensive income for the year					
Loss for the year	-	-	(4,392)	(4,392)	(4,392)
Other comprehensive income	-	-	337	337	337
Total comprehensive income for the year	-	-	(4,055)	(4,055)	(4,055)
At 31 December 2019	16,721	15,837	(15,600)	16,958	16,958
At 1 January 2020	16,721	15,837	(15,600)	16,958	16,958
Comprehensive income for the year					
Loss for the year	-	-	(9,008)	(9,008)	(9,008)
Other comprehensive income	-	-	691	691	691
Total comprehensive income for the year	-	-	(8,317)	(8,317)	(8,317)
At 31 December 2020	16,721	15,837	(23,917)	8,641	8,641

The notes on pages 27 to 66 form part of these financial statements.

**Company Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2019	16,721	15,837	(14,670)	17,888
Comprehensive income for the year				
Loss for the year	-	-	(2,152)	(2,152)
Total comprehensive income for the year	-	-	(2,152)	(2,152)
At 31 December 2019	16,721	15,837	(16,822)	15,736
At 1 January 2020	16,721	15,837	(16,822)	15,736
Comprehensive income for the year				
Loss for the year	-	-	(6,396)	(6,396)
Total comprehensive income for the year	-	-	(6,396)	(6,396)
Contributions by and distributions to owners				
At 31 December 2020	16,721	15,837	(23,218)	9,340

The notes on pages 27 to 66 form part of these financial statements.

Consolidated Statement of Cash Flows
For the Year Ended 31 December 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the year	(9,008)	(4,392)
Adjustments for		
Depreciation of property, plant and equipment	13,151	11,826
Amortisation of intangible fixed assets	5,109	1,734
Finance income	(6)	-
Finance expense	8,335	4,231
Loss on sale of property, plant and equipment	552	368
Income tax expense	(62)	(759)
	<u>18,071</u>	<u>13,008</u>
Movements in working capital:		
Increase in trade and other receivables	(1,442)	(6,759)
Decrease in inventories	1,234	87
Increase in trade and other payables	14,810	16,450
Decrease in provisions and employee benefits	(873)	(1,568)
	<u>31,800</u>	<u>21,218</u>
Cash generated from operations		
Income taxes paid	(575)	(750)
	<u>31,225</u>	<u>20,468</u>
Cash flows from investing activities		
Acquisition of subsidiary, net of cash acquired	376	(25,066)
Purchases of property, plant and equipment	(3,360)	(3,183)
Proceeds from disposal of property, plant and equipment	-	374
Interest received	6	-
	<u>(2,978)</u>	<u>(27,875)</u>
Cash flows from financing activities		
Proceeds from bank borrowings	-	51,699
Repayment of bank borrowings	-	(34,888)
Interest paid	(7,486)	(2,049)
Payment of lease liabilities	(16,157)	(6,111)
	<u>(23,643)</u>	<u>8,651</u>
Net cash (used in)/from financing activities		
Net cash increase in cash and cash equivalents	<u>4,604</u>	<u>1,244</u>
Cash and cash equivalents at the beginning of year	4,344	3,100
Cash and cash equivalents at the end of the year	<u><u>8,948</u></u>	<u><u>4,344</u></u>

The notes on pages 27 to 66 form part of these financial statements.

Company Statement of Cash Flows
For the Year Ended 31 December 2020

	2020 £000	2019 £000
Cash flows from operating activities		
Loss for the year	(6,396)	(2,152)
Adjustments for		
Finance expense	4,518	-
	<u>(1,878)</u>	<u>(2,152)</u>
Movements in working capital:		
Increase in trade and other receivables	(1,257)	(51,709)
Increase in trade and other payables	6,805	2,086
	<u>3,670</u>	<u>(51,775)</u>
Cash generated from operations	<u>3,670</u>	<u>(51,775)</u>
Net cash from/(used in) operating activities	<u>3,670</u>	<u>(51,775)</u>
Cash flows from investing activities		
Cash flows from financing activities		
Proceeds from borrowings	-	51,765
Interest paid	(3,670)	-
	<u>(3,670)</u>	<u>51,765</u>
Net cash (used in)/from financing activities	<u>(3,670)</u>	<u>51,765</u>
Net cash increase/(decrease) in cash and cash equivalents	<u>-</u>	<u>(10)</u>
Cash and cash equivalents at the beginning of year	4	14
Cash and cash equivalents at the end of the year	<u>4</u>	<u>4</u>

The notes on pages 27 to 66 form part of these financial statements.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

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 EU (collectively IFRSs). They were authorised for issue by the Company's board of directors on 28 January 2022.

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

2. Basis of preparation (continued)

2.2 Changes in accounting policies

i) New standards, interpretations and amendments effective from 1 January 2020

Newly adopted

The group has applied the following standards and amendments for the first time for their annual reporting year commencing 1 January 2020.

- Amendments to References to Conceptual Framework in IFRS Standards
- Definition of a Business (Amendments to IFRS 3)
- Definition of Material (Amendments to IAS1 and IAS 8)

Not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

4.1 Basis of consolidation (continued)

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

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 Strategic Report on pages 2 to 8. The financial position of the Group is set out in the Consolidated Balance Sheet on page 18 and its cash flows in the Consolidated Cash Flow Statement on page 23. Details of the Group's borrowings and financial instruments are set out in note 22.

The Group has considerable financial resources together with long-term contracts with a number of customers and suppliers across different geographic areas. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

At the time of approving the financial statements, the directors have a reasonable expectation that the group, will continue to mitigate the risks of the impact caused by COVID-19, has adequate resources to continue in operational existence for the foreseeable future and the directors continue to adopt the going concern basis.

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

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.

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

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.

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

4.8 Employee benefits (continued)

(ii) Defined benefit plans (continued)

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

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.

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

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

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.

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.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

4. Accounting policies (continued)

4.16 Financial instruments (continued)

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 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

The judgements that have a significant impact on the carrying value of assets and liabilities are discussed below:

Consolidation

Management have concluded that it is not appropriate to utilise the exemption from consolidation available to investment entities under IFRS10 as it is not considered to meet all of the essential elements of the definition of an investment entity as performance is not measured or evaluated on a fair value basis. Accordingly the consolidation includes all entities which the Company controls.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

5. Accounting estimates and judgements (continued)

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.

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

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.

Business combinations

When the Group completes a business combination, the fair values of the identifiable assets and liabilities acquired are recognised. The determination of the fair values of acquired assets and liabilities is based, to a considerable extent, on management estimations. If the purchase consideration exceeds the fair value of the net assets acquired then the incremental amount paid is recognised as goodwill. If the purchase price consideration is lower than the fair value of the assets acquired then the difference is recorded as a gain in the income statement.

Fair value measurement

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.

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.

This requires management to make decisions on such deferred tax assets based on future forecasts of taxable profits. If these forecast profits do not materialise, or there is a change in the tax rates or to the period over which temporary timing differences might be recognised, the value of the deferred tax asset will need to be revised in a future period.

The most sensitive area of estimation risk is with respect to losses. The Group has losses for which no value has been recognised for deferred tax purposes in these financial statements, as future economic benefit of these temporary differences is not probable. If appropriate profits are earned in the future, recognition of the benefit of these losses may result in a reduced tax charge in a future period.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

6. Revenue

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

	2020	2019
	£000	£000
Grounds maintenance	176,364	140,385
Landscape construction	24,708	27,600
	<u>201,072</u>	<u>167,985</u>

Turnover arises solely within the United Kingdom.

7. Other operating income

	2020	2019
	£000	£000
Government grants receivable - Job Retention Scheme	1,460	-
	<u>1,460</u>	<u>-</u>

8. Auditors' remuneration

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

	2020	2019
	£000	£000
Fees payable to the Group's auditors and their associates for the audit of the Group's financial statements	50	45
Fees payable to the Group's auditors and their associates in respect of:		
The auditing of accounts of subsidiaries of the Group	100	65
All non-audit services not included above	20	-
	<u>170</u>	<u>110</u>

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

9. Employee benefit expenses

Group

	2020	2019
	£000	£000
Employee benefit expenses (including directors) comprise:		
Wages and salaries	79,386	68,257
Social security costs	6,575	5,798
Other pension costs	2,931	2,857
Expenses related to defined benefit pension plans held by the group	179	145
	89,071	77,057

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

	2020	2019
	No.	No.
Administrative staff	219	187
Field operational including managers	3,188	2,759
Executive and non-executive directors	20	6
	3,427	2,952

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020

10. Directors' remuneration

	2020 £000	2019 £000
Directors' remuneration	956	919
Company contributions to pension plan	49	55
	<u>1,005</u>	<u>974</u>

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

	2020	2019
Money purchase schemes	<u>7</u>	<u>6</u>

The highest paid director's emoluments were as follows:

	2020 £000	2019 £000
Total emoluments and amounts receivable under long-term incentive schemes (excluding shares)	275	292
Company contributions to pension schemes	9	7
	<u>284</u>	<u>299</u>

11. Non underlying costs

In the year ended 31 December 2020 the Group incurred £3,227,000 (2019: £4,998,000) of costs predominantly related to restructuring and integrating prior year acquisitions to the Group.

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

12. Finance income and expense

Recognised in profit or loss

	2020	2019
	£000	£000
Finance income		
Bank interest and other interest received	6	8
Total interest income arising from financial assets measured at amortised cost or FVOCI	<u>6</u>	<u>8</u>
Total finance income	<u>6</u>	<u>8</u>
Finance expense		
Loans and other finance expenses	8,334	4,181
Total finance expense	<u>8,334</u>	<u>4,181</u>
Net finance expense recognised in profit or loss	<u><u>(8,328)</u></u>	<u><u>(4,173)</u></u>

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020

13. Tax expense

13.1 Income tax recognised in profit or loss

	2020 £000	2019 £000
Current tax		
Current tax on profits for the year	644	(227)
Adjustments in respect of prior years	493	(188)
Total current tax	<u>1,137</u>	<u>(415)</u>
Deferred tax expense		
Origination and reversal of timing differences	(1,199)	(385)
Rate change	-	41
Total deferred tax	<u>(1,199)</u>	<u>(344)</u>
	<u>(62)</u>	<u>(759)</u>
Total tax expense		
Tax expense	<u>(62)</u>	<u>(759)</u>
	<u>(62)</u>	<u>(759)</u>

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:

	2020 £000	2019 £000
Loss for the year	(9,008)	(4,392)
Income tax credit/expense	(62)	(759)
Loss before income taxes	<u>(9,070)</u>	<u>(5,151)</u>
Tax using the Company's domestic tax rate of 19% (2019:19%)	(1,723)	(979)
Expenses not deductible for tax purposes, other than goodwill, amortisation and impairment	859	683
Capital allowances for the year in excess of depreciation	43	(304)
Adjustments to tax charge in respect of prior periods	(85)	(188)
Other timing differences leading to an increase/(decrease) in taxation	989	(18)
Effect of change in tax rate recognised in the income statement	(145)	47
Total tax expense	<u>(62)</u>	<u>(759)</u>

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

13. Tax expense (continued)

13.1 Income tax recognised in profit or loss (continued)

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.

13.2 Income tax recognised in other comprehensive income

	2020 £000	2019 £000
Deferred tax		
Arising on income and expenses recognised in other comprehensive income		
Remeasurement of defined benefit obligation	(162)	(69)
	<u>(162)</u>	<u>(69)</u>
	<u>(162)</u>	<u>(69)</u>

13.3 Deferred tax balances

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

	2020 £000	2019 £000
Deferred tax assets	1,518	757
Deferred tax liabilities	(544)	(3,147)
	<u>974</u>	<u>(2,390)</u>

idverde UK Limited

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020

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 2019	231	558	25,754	7,831	2,188	13,050	49,612
Additions	124	81	5,485	3,199	643	4,093	13,625
Acquisition of subsidiary	-	413	4,110	3,066	1,822	4,412	13,823
Disposals	-	-	(3,000)	(2,541)	(38)	-	(5,579)
At 31 December 2019	355	1,052	32,349	11,555	4,615	21,555	71,481
Additions	9	110	4,096	557	1,127	5,377	11,276
Disposals	-	(198)	(2,483)	(1,565)	(198)	(4,153)	(8,597)
At 31 December 2020	364	964	33,962	10,547	5,544	22,779	74,160

idverde UK Limited

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020

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 2019	47	324	17,319	4,426	1,589	-	23,705
Charge owned for the year	12	123	4,751	1,523	401	-	6,810
Charged financed for the year	-	-	-	-	-	5,016	5,016
Disposals	-	-	(2,719)	(2,080)	(38)	-	(4,837)
At 31 December 2019	59	447	19,351	3,869	1,952	5,016	30,694
Charge owned for the year	14	181	5,041	1,788	1,354	-	8,378
Charged financed for the year	-	-	-	-	-	4,773	4,773
Disposals	-	(190)	(2,224)	(1,347)	(132)	(2,058)	(5,951)
At 31 December 2020	73	438	22,168	4,310	3,174	7,731	37,894
Net book value							
At 31 December 2019	296	605	12,998	7,686	2,663	16,539	40,787
At 31 December 2020	291	526	11,794	6,237	2,370	15,048	36,266

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

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:

	2020 £000	2019 £000
Property, plant and equipment owned	21,218	24,248
Right-of-use assets, excluding investment property	15,048	16,539
	<u>36,266</u>	<u>40,787</u>

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

Net book value

	2020 £000	2019 £000
Right-of-use assets, excluding investment property	15,048	16,539
	<u>15,048</u>	<u>16,539</u>

Depreciation charge for the year ended

	2020 £000	2019 £000
Right-of-use assets, excluding investment property	4,773	5,016
	<u>4,773</u>	<u>5,016</u>

15. Intangible assets

Group

	Customer contracts £000
Cost	
At 1 January 2019	7,901
Additions	16,183
At 31 December 2019	<u>24,084</u>
At 31 December 2020	<u>24,084</u>

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

15. Intangible assets (continued)

	Customer contracts £000
Accumulated amortisation and impairment	
At 1 January 2019	4,090
Charge for the year	1,734
At 31 December 2019	<u>5,824</u>
Charge for the year	5,109
At 31 December 2020	<u><u>10,933</u></u>
Net book value	
At 1 January 2019	<u>3,811</u>
At 31 December 2019	<u>18,260</u>
At 31 December 2020	<u><u>13,151</u></u>

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

16. Goodwill

Group

	2020 £000	2019 £000
Cost	74,800	75,176
Accumulated impairment	(7,153)	(7,153)
	67,647	68,023
	2020 £000	2019 £000
Cost		
At 1 January	75,175	37,923
(Refund of purchase price)/additions	(375)	37,253
At 31 December	74,800	75,176
Accumulated impairment		
At 1 January	7,153	7,153
At 31 December	7,153	7,153

16.1 Allocation of goodwill to cash generating units

Goodwill is allocated to the Group's cash generating unit as follows:

	2020 £000	2019 £000
idverde Limited	8,173	8,173
Quadron Services Limited	19,816	19,816
Landscaping Centre Limited	2,610	2,610
Championship Sports Services	171	171
KJT Group Limited	2,768	2,768
Assist Group	3,172	3,548
TCL Group	30,937	30,937
	67,647	68,023

Impairment

Each year, or whenever events or a change in the economic environment or performance indicates a risk of impairment, the Group reviews the value of goodwill allocated to its cash generating units.

An impairment test in a comparison of the carrying value of the assets of the business or CGU to their recoverable amount. The recoverable amount represents the higher of the CGU's fair value less the cost to sell and value in use. Where recoverable amount is less than carrying value, an impairment results. During the period, all goodwill was tested for impairment, with no impairment charge resulting (2019: No impairment).

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

16. Goodwill (continued)

16.1 Allocation of goodwill to cash generating units (continued)

Value in use was determined by discounting the future cash flows generate from the continuing use of the CGU, applying the following key assumptions.

Key assumptions

Cash flows were projected based on the approved 2017 business plan assuming a growth rate between 2018 and 2027 of 3.5%.

Management have used an approved forecast period of greater than five years because given the nature of the business and the contracts secured going-forward, a forecast period of ten years was deemed more appropriate.

The growth rate selected is greater than the long-term average growth rate for the country market of 1.3% because this is based on historical growth rates achieved by the Group. The growth rates used in the value in use calculation reflect the average growth rate experienced by the Group for the country market over a three year period.

The main assumptions within the operating cash flows used for 2017 include the achievement of future sales values and control of prices including achievement of budgeted operating costs and overheads. These assumptions have been reviewed in light of the current economic environment.

The directors have estimated the discount rate by reference to the Group's weighted average costs of capital. A pre-tax weighted average cost of capital of 8.0% has been used for impairment testing.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020

17. Subsidiaries

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

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group (%)	
			2020	2019
1) idverde Holdings Limited	Holding company	England and Wales	100	100
2) idverde Limited*	Grounds maintenance and landscape construction	England and Wales	100	100
3) Quadron Services Limited*	Grounds maintenance	England and Wales	100	100
4) Blythe Valley Limited*	Arboriculture services	England and Wales	100	100
5) KJT Group Limited*	Grounds maintenance, arboriculture and traffic management	England and Wales	100	100
6) Aspho Surfacing Limited*	Highway services	England and Wales	100	100
7) Assist Solutions Group Limited*	Holding company	England and Wales	100	100
8) Assist Support Group Limited*	Holding company	England and Wales	100	100
9) Assist Managed Services Limited*	Grounds maintenance and arboriculture	England and Wales	100	100
10) T.C.L. Holdings (Parent) Limited	Holding company	England and Wales	100	100
11) T.C.L. Holdings (Midco) Limited	Holding company	England and Wales	100	100
12) T.C.L. Holdings Limited*	Holding company	England and Wales	100	100
13) ICE Watch Limited*	Winter maintenance	England and Wales	100	100
14) G Burley & Sons Limited*	Grounds maintenance and arboriculture	England and Wales	100	100
15) T.C. Landscapes Limited*	Holding company	England and Wales	100	100
16) PFG Holdings Limited*	Holding company	England and Wales	100	100
17) Landscaping Centre (Holdings) Limited*	Holding company	Northern Ireland	100	100
18) Landscaping Services Limited*	Grounds maintenance and landscape construction	Northern Ireland	100	100

* Owned by a subsidiary company

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

18. Other non-current investments

Company

	2020 £000	2019 £000
Investments in subsidiary companies	16,740	16,740
	<u>16,740</u>	<u>16,740</u>

19. Inventories

Group

	2020 £000	2019 £000
Raw materials and consumables	2,263	3,497
	<u>2,263</u>	<u>3,497</u>

20. Trade and other receivables

Group

	2020 £000	2019 £000
Trade receivables	28,996	26,845
Trade receivables - net	28,996	26,845
Receivables from related parties	2,624	1,220
Total financial assets other than cash and cash equivalents classified as loans and receivables	31,620	28,065
Prepayments and accrued income	14,559	14,713
Other receivables	3,579	5,538
Total trade and other receivables	49,758	48,316
Less: current portion - trade receivables	(28,996)	(26,845)
Less: current portion - prepayments and accrued income	(14,559)	(14,713)
Less: current portion - other receivables	(3,579)	(5,538)
Less: current portion - receivables from related parties	(2,624)	(1,220)
Total current portion	(49,758)	(48,316)
Total non-current portion	-	-

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020

20. Trade and other receivables (continued)

Company

	2020 £000	2019 £000
Receivables from related parties	3,941	2,684
Loans to related parties	51,764	51,765
Total financial assets other than cash and cash equivalents classified as loans and receivables	55,705	54,449
Less: current portion - receivables from related parties	(3,941)	(2,684)
Total current portion	(3,941)	(2,684)
Total non-current portion	51,764	51,765

21. Trade and other payables

Group

	2020 £000	2019 £000
Trade payables	11,951	14,832
Payables to related parties	4,624	3,679
Other payables	291	2,377
Accruals	20,933	16,076
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	37,799	36,964
Other payables - tax and social security payments	17,658	8,356
Total trade and other payables	55,457	45,320
Less: current portion - trade payables	(11,951)	(14,832)
Less: current portion - payables to related parties	(4,624)	(3,679)
Less: current portion - other payables	(17,949)	(10,734)
Less: current portion - accruals	(20,935)	(16,077)
Total current portion	(55,459)	(45,322)
Total non-current position	-	-

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

21. Trade and other payables (continued)

Company

	2020 £000	2019 £000
Payables to related parties	8,999	2,204
Accruals	-	971
Total financial liabilities, excluding loans and borrowings, classified as financial liabilities measured at amortised cost	8,999	3,175
Less: current portion - payables to related parties	(8,999)	(2,206)
Less: current portion - accruals	-	(971)
Total current portion	(8,999)	(3,177)
Total non-current position	-	-

22. Loans and borrowings

Group

	2020 £000	2019 £000
Non-current		
Loan notes	7,368	6,405
Interest bearing loans	79,506	78,178
Finance lease liabilities	16,257	23,682
	103,131	108,265
Current		
Interest on loans	925	971
Parent company loan	525	513
Factoring facilities	-	757
Finance lease liabilities	9,705	5,705
	11,155	7,946
Total loans and borrowings	114,286	116,211

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

22. Loans and borrowings (continued)

Company

	2020	As restated
	£000	2019
		£000
Non-current		
Bank loans	52,660	50,794
	52,660	50,794
Current		
Bank loans	925	971
Parent company loan	525	513
	1,450	1,484
Total loans and borrowings	54,110	52,278

The split of non-current and current bank loans has been restated to correctly reflect the £971,000 which should be classified as a current liability.

23. Provisions

Group

	Onerous contracts £000
At 1 January 2020	835
Charged to profit or loss	7
Utilised during the year	(600)
At 31 December 2020	242
Due within one year or less	242
	242

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 2020

24. Share capital

Authorised

	2020 Number	2020 £000	2019 Number	2019 £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

	2020 Number	2020 £000	2019 Number	2019 £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>

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

25. Leases

Group

(i)

Lease liabilities are due as follows:

	2020	2019
	£000	£000
Not later than one year	9,705	5,705
Between one year and five years	16,257	23,682
	25,962	29,387
	=====	=====
Lease liabilities included in the Consolidated Statement of Financial Position at 31 December	25,962	23,682
	=====	=====
Non-current	16,257	23,682
Current	9,705	5,705
	=====	=====

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

	2020	2019
	£000	£000
Interest expense on lease liabilities	186	161
	=====	=====

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

26. Defined benefit schemes

(i) Defined benefit scheme characteristics and funding

idverde Limited

The Group 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 16 active members, 21 deferred members and 19 pensioner members as at 5 April 2019. 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.

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

A full actuarial valuation was carried out as at 5 April 2019 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 £241,000. The Group has agreed with the trustees that it will aim to eliminate the deficit over a period until 31 August 2022, being three years and five months from the valuation date, by the payment of annual contributions of £46,000 in respect of the deficit. In addition and in accordance with the actuarial valuation, the group has agreed with the trustees that it will pay 52.7% of pensionable earnings inclusive of member contributions and an allowance of 8.5% in respect of management and administration expenses. The Group will meet levies to the Pension Protection Fund in addition.

For the purposes of IAS19, the actuarial valuation as at 5 April 2019, which was carried out by a qualified independent actuary, has been updated on an approximate basis to 31 December 2020. There have been no changes in the valuation methodology adopted for this period's disclosures compared to the previous period's disclosures.

Quadron Services 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 2020 were £437,000 (2019: £342,000). 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 (2019: £Nil).

**Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020**

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 192 past employees and 199 pensioners at 5 April 2019 (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.

A full actuarial valuation was carried out as at 5 April 2019 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 £2,682,000 (a reduction from £5,181,000 at the previous triennial valuation on 5 April 2016). 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 £344,793 per annum from 6 April 2019 to 5 July 2020, increasing by 3% on 6 April 2020 plus £375,000 per annum from 6 July 2020 to 5 November 2024 increasing by 3% at each 6 April. In addition a sum of £250,000 to be paid in full by 5 April 2022. The additional sum may be payable in monthly instalments insofar as the full amount is paid by the due date.

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 2019 was updated to 31 December 2020 by a qualified actuary and showed that the market value of the scheme's assets was £24.6 million (2019: £20.7 million) and that the value of these assets represented 99% (2019: 93%) of the benefits that had accrued to members. The deficit is being reduced through additional contributions from the company.

For the purposes of IAS19 the actuarial valuation as at 5 April 2019, which was carried out by a qualified Independent actuary, has been updated on an approximate basis to 31 December 2020. 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.

idverde UK Limited

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020
idverde Limited

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme liability	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Balance at 1 January	2,742	2,449	(2,885)	(2,437)	(143)	12
Service cost - current	115	99	-	-	115	99
Expenses	29	30	-	-	29	30
Interest income	59	69	(62)	(70)	(3)	(1)
Included in profit or loss	2,945	2,647	(2,947)	(2,507)	141	128
Remeasurement						
Actuarial from:						
- Demographic assumptions	(68)	(25)	-	-	(68)	(25)
- Financial assumptions	547	190	-	-	547	190
- Adjustments (expenses)	(26)	3	-	-	(26)	3
Return on plan assets (excluding interest)	-	-	(107)	(257)	(107)	(257)
Included in other comprehensive income	453	168	(107)	(257)	346	(89)
Employer contributions	22	21	(215)	(215)	(193)	(194)
Benefits paid	(75)	(94)	75	94	-	-
Other movements	(53)	(73)	(140)	(121)	(193)	(194)
Balance at 31 December	3,345	2,742	(3,194)	(2,885)	151	(143)

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020
Composition of plan assets:

	2020 £000	2019 £000
Equity	1,457	1,253
Bonds	728	626
Insurance policy	969	990
Cash	40	16
Total plan assets	3,194	2,885

Defined benefit costs

	2020 £000	2019 £000
Service cost - current	115	99
Expenses	29	30
Interest income	(3)	(1)
Included in profit or loss	141	128
Remeasurement loss/(gain)		
Actuarial loss/(gain) from:		
- Demographic assumptions	(68)	(25)
- Financial assumptions	547	190
- Adjustments (expenses)	(26)	3
Return on plan assets (excluding interest)	(107)	(257)
Included in other comprehensive income	346	(89)
Other movements	-	-
Balance at 31 December	487	39

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020
Actuarial assumption

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

	2020	2019
Discount rate	1.40 %	2.10 %
Inflation (RPI)	2.98 %	2.82 %
Inflation (CPI)	2.48 %	2.02 %
Salary growth	2.00 %	2.00 %
Longevity at retirement age (current pensioners)		
- Males	20.1 years	21.8 years
- Females	22.5 years	23.6 years
Longevity at retirement age (future pensioners)		
- Males	21.5 years	23.1 years
- Females	24.0 years	25.2 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%)	(167)	167
Rate of inflation	(+/- 0.25%)	161	(161)
Rate of salary growth	(+/- 0.25%)	20	(20)
Future mortality rates	Change in life expectancy of 1 year	140	(140)

idverde UK Limited

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020
Quadron Services Limited

	Defined benefit obligation		Fair value of scheme assets		Net defined scheme liability	
	2020 £000	2019 £000	2020 £000	2019 £000	2020 £000	2019 £000
Balance at 1 January	22,303	19,841	(20,651)	(17,703)	1,652	2,138
Service cost - current	-	-	150	115	150	115
Service cost - past	30	-	-	-	30	-
Interest cost	452	578	(423)	(520)	29	58
Included in profit or loss	22,785	20,419	(20,924)	(18,108)	209	173
Remeasurement gain						
Actuarial gain from:						
- Demographic assumptions	69	(192)	-	-	69	(192)
- Financial assumptions	2,529	2,680	-	-	2,529	2,680
- Adjustments (expenses)	(78)	(116)	-	-	(78)	(116)
Return on plan assets (excluding interest)	-	-	(3,719)	(2,689)	(3,719)	(2,689)
Included in other comprehensive income	2,520	2,372	(3,719)	(2,689)	(1,199)	(317)
Employer contributions	-	-	(437)	(342)	(437)	(342)
Benefits paid	(466)	(488)	466	488	-	-
Other movements	(466)	(488)	29	146	(437)	(342)
	24,839	22,303	(24,614)	(20,651)	225	1,652

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020
Composition of plan assets:

	2020 £000	2019 £000
Equity	9,726	7,354
Bonds	4,172	2,863
Divested growth fund	10,443	10,165
Insured annuities	263	256
Cash	10	13
Total plan assets	24,614	20,651

Defined benefit costs

	2020 £000	2019 £000
Administration expenses	150	115
Service cost - past	30	-
Interest cost	29	58
Included in profit or loss	209	173
Remeasurement loss/(gain)		
Actuarial loss/(gain) from:		
- Demographic assumptions	69	(192)
- Financial assumptions	2,529	2,680
- Adjustments (expenses)	(78)	(116)
Return on plan assets (excluding interest)	(3,719)	(2,689)
Included in other comprehensive income	(1,199)	(317)
Other movements	-	-
Balance at 31 December	(990)	(144)

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020
Actuarial assumption

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

	2020	2019
Discount rate	1.40 %	2.05 %
Inflation (RPI)	3.00 %	3.05 %
Inflation (CPI)	2.10 %	2.05 %
Rate of increase for non-GMP pensions in deferment	2.10 %	2.05 %
Longevity at retirement age (current pensioners)		
- Males	21.9 years	21.8 years
- Females	24.3 years	24.1 years
Longevity at retirement age (future pensioners)		
- Males	23.3 years	23.2 years
- Females	25.7 years	25.5 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%)	(1,115)	1,115
Increase in inflation	(+/- 0.25%)	932	(932)
Future mortality rates	Change in life expectancy of 1 year	1,176	(1,176)

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020

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:

	2020 £000	2019 £000
Trade and other receivables	49,758	48,316
Cash and cash equivalents	8,948	4,344
	58,706	52,660

Credit quality of financial assets and impairment losses

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

	2020		2019	
	Gross £000	Net of impairment £000	Gross £000	Net of impairment £000
Not past due	16,671	16,671	16,708	16,682
Past due 0 - 30 days	3,563	3,494	5,192	5,192
Past due 30 - 120 days	2,159	2,158	2,701	2,701
Past due more than 120 days	7,391	6,673	3,548	2,270
	29,724	28,996	28,149	26,845

All other receivables are not past due (2019: not past due).

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

	2020 £000	2019 £000
Opening balance	1,304	150
Impairment loss provided/(reversed)	(576)	1,154
	728	1,304

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.

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:

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2020

	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	7,368	7,368	-	-	7,368	-
Interest bearing loans	80,431	81,667	925	-	-	80,742
Parent company loans	525	525	525	-	-	-
Finance lease liabilities	10,821	10,821	5,100	4,620	1,101	-
Trade and other payables	55,461	55,461	55,461	-	-	-
	154,606	155,842	62,011	4,620	8,469	80,742

	Carrying amount £000	Contractual cash flows £000	2019 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	6,405	6,405	-	-	6,405	-
Interest bearing loans	79,907	79,907	1,728	-	-	78,179
Parent company loans	513	513	513	-	-	-
Finance lease liabilities	12,648	12,648	6,195	4,129	2,324	-
Trade and other payables	47,713	47,713	47,713	-	-	-
	147,186	147,186	56,149	4,129	8,729	78,179

28. Capital commitments

At 31 December 2020, the Group had entered into contracts for the purchase of property, plant and equipment of £592,000 (2019: £33,000).

29. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

A loan from idverde SAS, the immediate parent company, accrues interest at 2% above base rate and is repayable on demand. As at 31 December 2020, the amount outstanding was £525,000 (2019: £513,000).

Another loan exists between idverde SAS and idverde Holdings Limited for a principal amount of £26,846,000 (2019: £26,846,000). The loan accrued interest at 8% per annum and is repayable in more than 5 years.

The loan notes between idverde SAS and idverde Holdings Limited for a principal amount of £26,846,000 (2019: £2,953,000) accrue interest at 15% per annum. As at 31 December 2020, the amount outstanding was £7,368,000 (2019: 6,405,000).

30. Controlling party

The Company's immediate parent company is idverde SAS, a company incorporated in 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.