

**REGISTERED NUMBER: SC192378 (Scotland)**

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023  
FOR  
GREENBELT GROUP LIMITED**



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**for the year ended 31 March 2023**

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**GREENBELT GROUP LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MARCH 2023**

**DIRECTORS:**

A M Duthie  
J Mcquillan  
A Middleton  
G Murray  
C D Thomson  
A Cooper

**REGISTERED OFFICE:**

Mccafferty House  
99 Firhill Road  
Glasgow  
G20 7BE

**REGISTERED NUMBER:**

SC192378 (Scotland)

**AUDITORS:**

Haines Watts Scotland  
Business Advisors, Accountants and  
Statutory Auditors  
Q Court  
3 Quality Street  
Edinburgh  
EH4 5BP

**BANKERS:**

Natwest  
1st Floor  
8 George Street  
Edinburgh  
EH2 2SB

**SOLICITORS:**

Brodies LLP  
110 Queen Street  
Glasgow  
G1 3BX

## **GREENBELT GROUP LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their strategic report for the year ended 31 March 2023.

Greenbelt Group Limited, ("Greenbelt") has evolved over 20 years, providing land management and community services, as its core activity.

Greenbelt has set out its vision to improve values in the business by:

- o Building a stronger brand image to improve its reputation;
- o Developing and promoting new products and services for its clients and customers;
- o Setting strategic goals over the next 3 years;
- o Identifying and implementing key initiatives to improve value, both for the benefits of its Homeowner customers and to ensure the Company's long term sustainable profitability.

#### **Principal activity**

The principal activity of the Company in the 12 month period to 31 March 2023 was that of the provision to communities of long term and sustainable management services on open space land acquired, leased or contracted for management with Housebuilders, Land Promoters and Master Developers on new housing developments. This service is provided to Homeowners of the developments and is covered by levying an annual charge. In addition, the Company is also involved in landscape development and management.

#### **REVIEW OF BUSINESS**

The UK housebuilding and development market started to slow down towards March 23 in line with general economic conditions which have been negatively impacted by high inflation and interest rates. Despite these economic headwinds, The Company, with a robust core income stream, including adding approximately 4,000 units onto billing, posted a strong set of results in excess of budget.

The Company's core business continues to operate strongly in these tougher economic conditions with only a drop off in growth noted. The economic conditions, following on from the pandemic, has not only highlighted the resilience of the business model and great team spirit but also the systems and procedures in place to allow effective remote working for large parts of the workforce.

Against this background, the Directors believe that the prospects for the Company are extremely positive. This is reflected in the growth being experienced in the number of Homes which the Company services: currently approximately 76,000 with this figure expected to grow by between 5-10% in the current year. The pipeline, which is predominantly in England, has a focussed Sales Team resource together with the Delivery Team put in place in 2020 to focus on increased growth and smooth handover to operations.

Greenbelt is the largest Public Open Space (POS) management company in the UK in terms of size, and is launching a new suite of products and solutions that will offer the opportunity to improve revenue significantly with the market client base, which includes all the UKs major Housebuilders.

The scale of this growth will be predicated by the uptake of these new products and services by the client base, but with endorsement of the key tenets of these solutions from the government agency Homes England and new industry regulation driving the need for changes, the prospects for such an uptake are good.

The Group takes great pride in providing an affordable, value for money service, that delivers the highest quality of maintenance and management, clear transparency of the service provided and regular engagement with our communities. We are constantly reviewing and finding ways to improve our services at every level. We also have a continually improving strategy in place for its IT systems, debt management and customer care initiatives.

In the 12-month period to 31 March 23, profit before tax was £683,275 (2022 - £446,057), with a turnover of £11,748,503 (2022 - £10,564,965) and the number of Homeowner customers increased to 74,295 (2022 - 70,800). The focus remains on the core greenspace activity, with a recurring income stream, increasing by 17% to £9,854,703 (2022 - £8,411,626). Importantly, the Company has the management structure and systems in place that will allow for continued growth without increasing the overhead cost significantly.

## **GREENBELT GROUP LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

Greenbelt has a strong understanding of the influence that a quality local environment can have on commercial and social activities as well as the opportunity to bring bio-diversity to urban green spaces. In this regard, it provides advice to the UK housebuilding and development industry, and is regularly consulted on planning policy in open space and water management design across the UK. In providing tailored, sustainable solutions for each environment, Greenbelt looks to build a good working relationship with local communities, contribute to property values by ensuring quality greenspace and proactively assists in solving local issues. The Company currently manages 2,000 hectares of greenbelt land, which is a significant contributor to increasing CO2 storage and absorption.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company's growth profile is closely linked to the uptake of its new POS solutions being rolled-out to the client base, as well as to the performance of the UK housebuilding and development industry. The Company has a strong competitive position as the preeminent supplier in this sector and the clear market leader, and the successful introduction of these new products will greatly accelerate growth going forward.

It is widely expected that the slowdown in the development industry will continue in the coming 12 months as the effect of higher mortgage rates and a broader economic slowdown impact the demand for new housing. Whilst this will likely see the level of new home completions fall, there is still a significant opportunity for Greenbelt to increase their market penetration, and therefore still achieve their growth ambitions. The Company is also focused on winning very large sites, or Garden Village developments as they are known, and these very long-term projects are less vulnerable to short term changes to the economic environment in the UK.

The Company continues to innovate and evolve new solutions for the management of POS and is currently testing market support for a new concept which is being called Community POS Hubs. This new solution is in the very early stages of development but if it were to progress and gain traction in the marketplace it could represent a significant growth opportunity for the business.

Recent experience through the Covid pandemic, and the evidence during the aftermath of the financial crisis a decade earlier, show that the payment rates from our homeowner customers hold up extremely well in periods of turmoil or economic uncertainty. Furthermore, as the obligation to pay the Annual Management Charge is written into the title deeds, the Company is in a strong position to enforce recoverability of its debts when required. Resource, systems, community programmes and communications are continually improved to maximise customers satisfaction which will also serve to improve collection rates.

The UK is facing a raft of challenges that it has not faced since the 1970's. Industrial unrest is continuing across many sectors of the economy, and businesses and households are grappling with extended high inflation squeezing margins and household budgets. Despite these issues, the labour market continues to be tight, though there are now signs of this easing somewhat.

The Bank of England have been tackling the inflation problem by raising interest rates aggressively and we have seen a commensurate rise in longer term rates and so in fixed mortgage rates. Short term rates are likely to settle in the coming months however a new base is expected to be higher than recent history. The Monetary Policy Committee will do this despite the incipient economic slowdown, in order to continue to push down on inflation and to re-establish their inflation fighting credibility.

The impact of these and other policy moves, and of a broader global economic slowdown, is expected to cause a protracted period of low or negative GDP growth which will see inflation continue to fall from the beginning of 2024 and throughout the following 12 months. At the same time, it is expected that unemployment will rise, and so the tightness of the labour market will abate.

The board is acutely aware of these economic headwinds, but believes Greenbelt is well placed to weather these difficult times, and indeed they could well offer opportunities for innovation and growth for the Company. While there will likely be a lower level of housing completions, housebuilding will continue and the Company's ability to penetrate the market more broadly will be the arbiter of its success in achieving growth. Future expansion of our cost base will be predicated on achieving this growth, and on the continued robust revenues and payment rates from our customer base.

## **GREENBELT GROUP LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023**

#### **CORPORATE GOVERNANCE STATEMENT**

The Greenbelt Holdings Board, of which Greenbelt Group is a subsidiary, meets regularly. The Chairman will ask executives to report in detail the financial, commercial, corporate, policy and business plan aspects over the period, with opportunity to examine the various initiatives which are employed as part of the business improvement strategy. Additionally, any director interests, employment, legislative and policy changes, risks and opportunities are tabled and discussed.

At present, delegated authority is allocated to manage any corporate interests, remuneration, audit and acquisition requirements outside the Board meeting diary with reporting required on any decisions.

A non-executive Chairman, supported by the Executive Deputy Chairman, Company Secretary and Chief Executive ensure continued good governance of the Group.

#### **KEY PERFORMANCE INDICATORS**

The Company has a focus on both financial and non-financial key performance indicators. Financial key performance indicators include recurring income, core costs, profit before tax, cash and land asset valuation. Non-financial key performance indicators include units in billing, future units under contract and legal instruction, customer care, contractor performance and service quality. Careful monitoring of these KPIs assists the Board in achieving its strategic objectives.

#### **ON BEHALF OF THE BOARD:**



.....  
A Middleton - Director

Date: 07/12/2023  
.....

## **GREENBELT GROUP LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report with the financial statements of the company for the year ended 31 March 2023.

#### **DIVIDENDS**

An interim dividend of £60,000 per share was paid on 29 March 2023.

A final dividend of £30,000 per share was paid after the year end.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2022 to the date of this report.

A M Duthie  
J Mcquillan  
A Middleton  
G Murray  
C D Thomson

Other changes in directors holding office are as follows:

A Cooper was appointed as a director after 31 March 2023 but prior to the date of this report.

G C More ceased to be a director after 31 March 2023 but prior to the date of this report.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

**GREENBELT GROUP LIMITED**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MARCH 2023**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**ON BEHALF OF THE BOARD:**



.....  
A Middleton - Director

Date: 07/12/2023  
.....



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREENBELT GROUP LIMITED**

### **Opinion**

We have audited the financial statements of Greenbelt Group Limited (the 'company') for the year ended 31 March 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREENBELT GROUP LIMITED**

### **Matters on which we are required to report by exception**

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

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

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

### **Responsibilities of directors**

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

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

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the Company through discussions with directors and other management, and from our commercial knowledge;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, taxation legislation, employment and data protection;
- We assessed the extent of compliance with the laws and regulations identified above through making enquires of management and inspecting legal correspondence;
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GREENBELT GROUP LIMITED

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

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgement and assumptions made in determining accounting estimates were indicative of potential bias; and
- Investigated the rationale behind any significant or unusual transactions.

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

- Agreeing financial statement disclosures to underlying supporting documentation;
- Reading the minutes of meetings of those charged with governance;
- Enquiring of management as to actual potential litigation and claims; and
- Reviewing correspondence.

Whilst our audit did not identify any significant matters relating to the detection of irregularities including fraud, and despite the audit being planned and conducted in accordance with ISAs (UK), there remains an unavoidable risk that material misstatements in the financial statements may not be detected owing to inherent limitations of the audit, and that by their very nature, any such instances of fraud or irregularity would likely involve collusion, forgery, intentional misrepresentations, or the override of internal controls.

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

### Use of our report

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



Craig Hunter (Senior Statutory Auditor)  
for and on behalf of Haines Watts Scotland  
Business Advisors, Accountants and  
Statutory Auditors  
Q Court  
3 Quality Street  
Edinburgh  
EH4 5BP

08/12/2023

Date: .....

**GREENBELT GROUP LIMITED**

**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>TURNOVER</b>	4	11,748,503	10,564,965
Cost of sales		<u>(6,894,272)</u>	<u>(6,769,323)</u>
<b>GROSS PROFIT</b>		4,854,231	3,795,642
Administrative expenses		<u>(4,155,406)</u>	<u>(3,329,203)</u>
		698,825	466,439
Other operating income	5	<u>11,399</u>	<u>3,876</u>
<b>OPERATING PROFIT</b>	7	710,224	470,315
Interest payable and similar expenses	9	<u>(26,949)</u>	<u>(24,258)</u>
<b>PROFIT BEFORE TAXATION</b>		683,275	446,057
Tax on profit	10	<u>(149,414)</u>	<u>(85,164)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>533,861</u></u>	<u><u>360,893</u></u>

The notes form part of these financial statements

**GREENBELT GROUP LIMITED****OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2023**

	Notes	2023 £	2022 £
<b>PROFIT FOR THE YEAR</b>		533,861	360,893
<b>OTHER COMPREHENSIVE INCOME</b>			
Surplus on revaluation of assets		5,520,797	2,229,141
Deferred tax on revaluation		(1,380,199)	(1,777,410)
		<hr/>	<hr/>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		4,140,598	451,731
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		4,674,459	812,624

The notes form part of these financial statements

**GREENBELT GROUP LIMITED (REGISTERED NUMBER: SC192378)**

**BALANCE SHEET  
31 MARCH 2023**

	Notes	2023 £	2022 £
<b>FIXED ASSETS</b>			
Tangible assets	12	29,343,786	23,821,029
<b>CURRENT ASSETS</b>			
Debtors	13	10,259,520	8,826,958
Cash at bank and in hand		<u>1,777,591</u>	<u>1,756,191</u>
		12,037,111	10,583,149
<b>CREDITORS</b>			
Amounts falling due within one year	14	<u>(10,004,707)</u>	<u>(8,269,339)</u>
<b>NET CURRENT ASSETS</b>		<u>2,032,404</u>	<u>2,313,810</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		31,376,190	26,134,839
<b>CREDITORS</b>			
Amounts falling due after more than one year	15	(560,000)	(800,000)
<b>PROVISIONS FOR LIABILITIES</b>	19	<u>(7,369,142)</u>	<u>(5,962,250)</u>
<b>NET ASSETS</b>		<u><u>23,447,048</u></u>	<u><u>19,372,589</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	20	10	10
Revaluation reserve	21	21,554,274	17,414,255
Capital redemption reserve	21	6	6
Retained earnings	21	<u>1,892,758</u>	<u>1,958,318</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>23,447,048</u></u>	<u><u>19,372,589</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on .....07/12/2023..... and were signed on its behalf by:



.....  
A Middleton - Director

The notes form part of these financial statements

**GREENBELT GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
<b>Balance at 1 April 2021</b>	10	1,595,993	16,963,956	6	18,559,965
<b>Changes in equity</b>					
Total comprehensive income	-	360,893	451,731	-	812,624
Transfer between reserves	-	1,432	(1,432)	-	-
<b>Balance at 31 March 2022</b>	<u>10</u>	<u>1,958,318</u>	<u>17,414,255</u>	<u>6</u>	<u>19,372,589</u>
<b>Changes in equity</b>					
Dividends	-	(600,000)	-	-	(600,000)
Total comprehensive income	-	533,861	4,140,598	-	4,674,459
Transfer between reserves	-	579	(579)	-	-
<b>Balance at 31 March 2023</b>	<u>10</u>	<u>1,892,758</u>	<u>21,554,274</u>	<u>6</u>	<u>23,447,048</u>

The notes form part of these financial statements

## **GREENBELT GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

#### **1. STATUTORY INFORMATION**

Greenbelt Group Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

#### **2. ACCOUNTING POLICIES**

##### **BASIS OF PREPARING THE FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

At the reporting date, the Company had net assets of £23,447,048 (2022 - £19,372,589).

The Directors consider that the Company continues to be a going concern and accordingly these financial statements are prepared on the going concern basis.

##### **FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS**

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

- the requirements of Section 7 Statement of Cash Flows.

##### **TURNOVER**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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

##### **Rendering of services**

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

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

##### **TANGIBLE FIXED ASSETS**

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.



## **GREENBELT GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. ACCOUNTING POLICIES - continued**

Depreciation is provided on the following basis:

Fixtures & fittings	25% Straight Line
Computer Equipment	33-50% Straight Line
Property Improvements	20% Straight Line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Tangible fixed assets includes land which is stated at valuation. Revaluation gains and losses are recognised in the Statement of Comprehensive Income.

The Directors consider the need for impairment of tangible fixed assets as part of the revaluation process which is performed annually.

Land is not depreciated.

#### **GOVERNMENT GRANTS**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

#### **FINANCIAL INSTRUMENTS**

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset, carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **TAXATION**

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

Current or deferred taxation assets and liabilities are not discounted.

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

## **GREENBELT GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

#### **2. ACCOUNTING POLICIES - continued**

##### **DEFERRED TAX**

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

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

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

##### **OPERATING LEASE COMMITMENTS**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

##### **PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

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

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

##### **FINANCE COSTS**

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

##### **PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the reporting.

##### **DIVIDENDS**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

## GREENBELT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

#### 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Land is carried at fair value at each reporting date. Details regarding the carrying value of the land and the valuation basis are provided in note 11.

The calculation of accruals and provisions contains an inherent level of subjectivity. The Directors consider that the current level of accruals and provisions represents the best estimate of the likely exposure.

#### 4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

#### 5. OTHER OPERATING INCOME

	2023	2022
	£	£
Rental income	<u>11,399</u>	<u>3,876</u>

#### 6. EMPLOYEES AND DIRECTORS

	2023	2022
	£	£
Wages and salaries	2,270,438	2,034,859
Social security costs	286,197	237,564
Other pension costs	<u>108,178</u>	<u>100,957</u>
	<u>2,664,813</u>	<u>2,373,380</u>

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

	2023	2022
Administration	<u>59</u>	<u>58</u>

The highest paid Director received remuneration of £152,177 (2022 - £142,671).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £8,076 (2022 - £7,620).

During the year retirement benefits were accruing to 2 Directors (2022 - 2) in respect of defined contribution pension schemes.

**GREENBELT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**7. OPERATING PROFIT**

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

	2023	2022
	£	£
Other operating leases	337,717	302,186
Depreciation - owned assets	24,911	26,084
Profit on disposal of fixed assets	<u>(24,436)</u>	<u>(32,418)</u>

**8. AUDITORS' REMUNERATION**

	2023	2022
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>14,750</u>	<u>12,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group accounts of the parent company.

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022
	£	£
Bank interest	3,360	2,400
Loan interest	<u>23,589</u>	<u>21,858</u>
	<u>26,949</u>	<u>24,258</u>

**10. TAXATION**

**Analysis of the tax charge**

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

	2023	2022
	£	£
Current tax:		
UK corporation tax	149,488	85,164
Overprovision in prior periods	<u>(74)</u>	<u>-</u>
Tax on profit	<u>149,414</u>	<u>85,164</u>

**Tax effects relating to effects of other comprehensive income**

	Gross	2023	Net
	£	Tax	£
		£	
Surplus on revaluation of assets	5,520,797	-	5,520,797
Deferred tax on revaluation	<u>(1,380,199)</u>	<u>-</u>	<u>(1,380,199)</u>
	<u>4,140,598</u>	<u>-</u>	<u>4,140,598</u>

**GREENBELT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**10. TAXATION - continued**

	Gross £	2022 Tax £	Net £
Surplus on revaluation of assets	2,229,141	-	2,229,141
Deferred tax on revaluation	(1,777,410)	-	(1,777,410)
	<u>451,731</u>	<u>-</u>	<u>451,731</u>

**11. DIVIDENDS**

	2023 £	2022 £
Ordinary Class A shares of 1 each		
Interim	<u>600,000</u>	<u>-</u>

**12. TANGIBLE FIXED ASSETS**

	Freehold Land £	Property Improvements £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>					
At 1 April 2022	23,798,293	40,276	56,210	204,520	24,099,299
Additions	-	3,746	3,218	20,486	27,450
Disposals	(579)	-	-	-	(579)
Revaluations	<u>5,520,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,520,797</u>
At 31 March 2023	<u>29,318,511</u>	<u>44,022</u>	<u>59,428</u>	<u>225,006</u>	<u>29,646,967</u>
<b>DEPRECIATION</b>					
At 1 April 2022	-	38,281	55,929	184,060	278,270
Charge for year	<u>-</u>	<u>2,494</u>	<u>396</u>	<u>22,021</u>	<u>24,911</u>
At 31 March 2023	<u>-</u>	<u>40,775</u>	<u>56,325</u>	<u>206,081</u>	<u>303,181</u>
<b>NET BOOK VALUE</b>					
At 31 March 2023	<u>29,318,511</u>	<u>3,247</u>	<u>3,103</u>	<u>18,925</u>	<u>29,343,786</u>
At 31 March 2022	<u>23,798,293</u>	<u>1,995</u>	<u>281</u>	<u>20,460</u>	<u>23,821,029</u>

Land has been revalued at 31 March 2023 using a NPV model of income generated from the land. The Directors appointed RSM as a third party expert to prepare the valuation. The revaluation resulted in an increase in land value of £5,520,797 (2022 - £2,229,141).

If the land had not been included at valuation it would have been included under the historical cost convention at a value of £742,049 (2022 - £742,049).

**GREENBELT GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023**

**12. TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 March 2023 is represented by:

	Freehold Land £	Property Improvements £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2023	28,576,462	-	-	-	28,576,462
Cost	<u>742,049</u>	<u>44,022</u>	<u>59,428</u>	<u>225,006</u>	<u>1,070,505</u>
	<u>29,318,511</u>	<u>44,022</u>	<u>59,428</u>	<u>225,006</u>	<u>29,646,967</u>

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	5,722,725	5,213,693
Amounts owed by group undertakings	3,348,838	2,893,623
Prepayments	<u>1,187,957</u>	<u>719,642</u>
	<u>10,259,520</u>	<u>8,826,958</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Bank loans and overdrafts (see note 16)	240,000	240,000
Trade creditors	1,583,383	1,460,632
Tax	149,488	85,078
Social security and other taxes	1,382,797	1,139,864
Other creditors	12,833	13,891
Accruals and deferred income	<u>6,636,206</u>	<u>5,329,874</u>
	<u>10,004,707</u>	<u>8,269,339</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2023 £	2022 £
Bank loans (see note 16)	<u>560,000</u>	<u>800,000</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year or on demand:		
Bank loans	<u>240,000</u>	<u>240,000</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>240,000</u>	<u>240,000</u>

**GREENBELT GROUP LIMITED****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 MARCH 2023****16. LOANS - continued**

	2023 £	2022 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>320,000</u>	<u>560,000</u>

In 2021, bank loan borrowings of £1,200,000 were drawn down from a Coronavirus Business Interruption Loan Scheme with National Westminster Bank Plc. The loan is repayable in monthly instalments of £20,000. Interest on the loan is charged at a fixed rate of 2.59%.

The loan facility is secured by an intercompany guarantee of up to £3,125,000 with Greenbelt Holdings Limited, Greenbelt Group Limited, Greenbelt Property Limited, Greenbelt Energy Limited, and Greenbelt Management UK Limited. The security is supported by specific freehold and standard securities over certain areas of land held by the Group and, debentures, bonds and floating charges over the Group.

**17. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023 £	2022 £
Within one year	229,936	204,631
Between one and five years	<u>295,089</u>	<u>362,084</u>
	<u>525,025</u>	<u>566,715</u>

**18. FINANCIAL INSTRUMENTS**

	2023 £	2022 £
<b>Financial Assets</b>		
Financial assets measured at amortised cost	<u>7,500,316</u>	<u>9,863,507</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	<u>(10,551,874)</u>	<u>(8,984,261)</u>

# GREENBELT GROUP LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023

### 19. PROVISIONS FOR LIABILITIES

	Deferred Tax	Establishment Provision	Capital Replacement Provision	Total
	£	£	£	£
At 1 April 2022	5,641,989	93,974	226,287	5,962,250
Charged to profit or loss	-	-	30,343	30,343
Utilised in year	-	(3,650)	-	(3,650)
Deferred tax on revaluation	1,380,199	-	-	1,380,199
At 31 March 2023	<u>7,022,188</u>	<u>90,324</u>	<u>256,630</u>	<u>7,369,142</u>

#### Capital replacement provision

The capital replacement provision comprises future estimated costs in relation to structural repairs where there exists an obligation for these works to be carried out.

#### Establishment provision

The establishment provision comprises future estimated costs that the Company has an obligation to meet on a number of greenspace sites.

### 20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2023 £	2022 £
10	Ordinary Class A	1	<u>10</u>	<u>10</u>

### 21. RESERVES

#### Revaluation reserve

The revaluation reserve represents surplus on the revaluation of land net of related deferred tax.

#### Capital redemption reserve

The capital redemption reserve represents amounts set aside on redemption of shares.

#### Profit & loss account

The profit and loss account includes all current and prior periods' retained profits and losses.

### 22. PENSION COMMITMENTS

The Company makes payments to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £108,178 (2022 - £100,957). Contributions totalling £15,709 (2022 - £14,037) were payable to the fund at the reporting date.



## **GREENBELT GROUP LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 MARCH 2023**

#### **23. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### **24. ULTIMATE CONTROLLING PARTY**

The Company's immediate and ultimate parent undertaking is Greenbelt Holdings Limited, a Company registered in Scotland, which is the smallest and largest group of companies for which group financial statements are prepared. Copies of the financial statements of Greenbelt Holdings Limited are available to the public from Companies House, Crown Way, Cardiff, CF14 3UZ.

In the opinion of the Directors, the ultimate controlling party of the Company is A Middleton, the sole shareholder of Greenbelt Holdings Limited.