

Registration number: 03626337

GreenBest Ltd

Annual Report and Financial Statements
for the Year Ended 30 June 2022

GreenBest Ltd

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GreenBest Ltd

(Registration number: 03626337)
Balance Sheet as at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	<u>4</u>	950,818	890,782
Investments	<u>5</u>	30,000	30,000
		<u>980,818</u>	<u>920,782</u>
Current assets			
Stocks	<u>6</u>	1,887,323	940,548
Debtors	<u>7</u>	951,689	890,559
Cash at bank and in hand		508,505	476,528
		<u>3,347,517</u>	<u>2,307,635</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(2,229,394)</u>	<u>(1,540,673)</u>
Net current assets		<u>1,118,123</u>	<u>766,962</u>
Total assets less current liabilities		2,098,941	1,687,744
Creditors: Amounts falling due after more than one year	<u>8</u>	(560,000)	(560,000)
Provisions for liabilities		<u>(175,544)</u>	<u>(147,160)</u>
Net assets		<u>1,363,397</u>	<u>980,584</u>
Capital and reserves			
Called up share capital		10,000	10,000
Profit and loss account		<u>1,353,397</u>	<u>970,584</u>
Total equity		<u>1,363,397</u>	<u>980,584</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 11 January 2023 and signed on its behalf by:

T D Le Mesurier
Director

GreenBest Ltd

Notes to the Financial Statements for the Year Ended 30 June 2022

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Unit 2
The Marsh
Henstridge
Templecombe
Somerset
BA8 0TF

These financial statements were authorised for issue by the Board on 11 January 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Audit report

The Independent Auditor's Report was qualified. With respect to opening stock having a carrying amount of £940,548 the audit evidence available to us was limited because we did not observe the counting of the physical stock as at 30 June 2021, since that date was prior to our appointment as auditor of the company. Owing to the nature of the company's records, we were unable to obtain sufficient appropriate audit evidence regarding the stock quantities by using other audit procedures. The name of the Senior Statutory Auditor who signed the audit report on 20 January 2023 was Mr Robert Cadwallader, who signed for and on behalf of Milsted Langdon LLP.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

GreenBest Ltd

Notes to the Financial Statements for the Year Ended 30 June 2022

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the Balance Sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Long leasehold land and buildings	5% straight line and 15% on reducing balance
Plant and machinery	15% and 25% on reducing balance
Fixtures and fittings	15% on reducing balance
Motor vehicles	25% on reducing balance

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

GreenBest Ltd

Notes to the Financial Statements for the Year Ended 30 June 2022

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

GreenBest Ltd

Notes to the Financial Statements for the Year Ended 30 June 2022

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

A dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

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Notes to the Financial Statements for the Year Ended 30 June 2022

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments.

Recognition and measurement

The company has obtained a loan from a supplier of £560,000. The loan has been recognised at cost as a non-current liability within the balance sheet and has a fixed repayment date. Interest is being charged to the company on the loan at a rate of 3% per annum and the interest is being recognised as an expense in the profit and loss account on an accruals basis.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 40 (2021 - 28).

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Notes to the Financial Statements for the Year Ended 30 June 2022

4 Tangible assets

	Long leasehold land and buildings £	Furniture, fittings and equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation					
At 1 July 2021	294,878	112,760	1,187,049	43,833	1,638,520
Additions	35,718	11,604	188,175	3,750	239,247
Disposals	(16,753)	(51,197)	(192,765)	-	(260,715)
At 30 June 2022	313,843	73,167	1,182,459	47,583	1,617,052
Depreciation					
At 1 July 2021	91,454	67,902	553,779	34,603	747,738
Charge for the year	22,907	6,799	124,946	3,167	157,819
Eliminated on disposal	(10,143)	(43,103)	(186,077)	-	(239,323)
At 30 June 2022	104,218	31,598	492,648	37,770	666,234
Carrying amount					
At 30 June 2022	209,625	41,569	689,811	9,813	950,818
At 30 June 2021	203,424	44,858	633,270	9,230	890,782

Included within the net book value of land and buildings above is £209,625 (2021 - £203,424) in respect of long leasehold land and buildings.

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Notes to the Financial Statements for the Year Ended 30 June 2022

5 Investments

	2022 £	2021 £
Investments in subsidiaries	30,000	30,000
Subsidiaries		£
Cost or valuation		
At 1 July 2021		30,000
Provision		
Carrying amount		
At 30 June 2022		30,000
At 30 June 2021		30,000

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Velvit Limited	Unit 2, The Marsh, Henstridge, Templecombe, Somerset, BA8 0TF England	Ordinary	100%	100%

Subsidiary undertakings

Velvit Limited

The principal activity of Velvit Limited is Distribution.

6 Stocks

	2022 £	2021 £
Stocks	1,887,323	940,548

GreenBest Ltd

Notes to the Financial Statements for the Year Ended 30 June 2022

7 Debtors

	2022 £	2021 £
Current		
Trade debtors	857,419	785,252
Prepayments	80,622	36,343
Other debtors	13,648	68,964
	951,689	890,559

8 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings	<u>9</u>	536,284	524,925
Trade creditors		1,370,647	846,791
Social security and other taxes		35,998	21,781
Other creditors		123,135	39,113
Accruals		163,330	108,063
		2,229,394	1,540,673
Due after one year			
Loans and borrowings	<u>9</u>	560,000	560,000
		2022 £	2021 £
Due after more than five years			
After more than five years not by instalments		560,000	560,000

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Notes to the Financial Statements for the Year Ended 30 June 2022

9 Loans and borrowings

	2022 £	2021 £
Non-current loans and borrowings		
Other borrowings	560,000	560,000

	2022 £	2021 £
Current loans and borrowings		
Bank overdrafts	536,284	519,041
Hire purchase contracts	-	5,884
	536,284	524,925

The bank overdraft is secured by a fixed charge over the tangible fixed assets and stocks and a floating charge over all other current assets of the company.

The other loan is secured by a guarantee from the shareholders of the company and a fixed charge over the share capital in favour of the lender.

Included in the loans and borrowings are the following amounts due after more than five years:

Other loans after five years

Other loan totalling £560,000 is due for repayment on 26/11/2028.

10 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	151,697	140,500
Later than one year and not later than five years	284,269	562,000
Later than five years	120,125	114,750
	556,091	817,250

GreenBest Ltd

Notes to the Financial Statements for the Year Ended 30 June 2022

11 Related party transactions

Loans from related parties

	Key management £	Total £
2022		
At start of period	(1,946)	(1,946)
Advances to the company	11,830	11,830
	<hr/>	<hr/>
At end of period	9,884	9,884
	<hr/> <hr/>	<hr/> <hr/>
	Key management £	Total £
2021		
At start of period	11,093	11,093
Repaid from the company	(13,039)	(13,039)
	<hr/>	<hr/>
At end of period	(1,946)	(1,946)
	<hr/> <hr/>	<hr/> <hr/>

The above loan is interest free and repayable on demand.

The company has taken advantage of the exemption from disclosing transactions between wholly owned subsidiaries.

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