

Company registration number 02014181 (England and Wales)

**EVERGREEN EXTERIOR SERVICES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**

# EVERGREEN EXTERIOR SERVICES LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	L Weeks D J C Cumber C A Marshall L A Gibbs
<b>Secretary</b>	L Weeks
<b>Company number</b>	02014181
<b>Registered office</b>	Seasons Nursery 21 Croydon Lane Banstead Surrey SM7 3BW
<b>Auditor</b>	Beavis Morgan Audit Limited 82 St John Street London EC1M 4JN

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# EVERGREEN EXTERIOR SERVICES LIMITED

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# EVERGREEN EXTERIOR SERVICES LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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The directors present their strategic report for the year ended 31 December 2022.

### **Fair review of the business**

The directors are pleased to report that the company's results and financial position for the year ended 31 December 2022 exceeded expectations. If market conditions continue to improve and provided the weather conditions remain clement, the directors fully expect the company to continue to trade more profitably in the coming years. The company has cash reserves of £3.0m, up from £2.3m last year, which provides the company with adequate funds with which to meet day to day spending requirements, as well as to make capital investments where it sees fit. The group was restructured during the year which enabled completion of the succession planning.

### **Principal risks and uncertainties**

The main exposures to risk are adverse weather conditions, reducing sales, and the potential loss of stock. The predominant financial risk is the movement in foreign exchange rates with the euro. At present, any movements in the exchange rate between the euro and sterling are absorbed in the gross margin by the company.

### **Financial instruments**

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations. Due to the nature of the financial instruments used by the company, there is no exposure to price risk. Trade debtors are managed in respect of credit and cash flow risk policies concerning the credit offered to customers and regular monitoring of amounts outstanding for both time and credit limits. Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet financial obligations as they fall due. In respect of bank balances, liquidity risk is managed by maintaining the balance between the continuity of funding and flexibility through deposits at floating rates of interest.

### **Key performance indicators**

The key financial indicators against which the directors measure the company's performance are gross margin and stock turnover. Stock turnover for the period was 15 days to the satisfaction of the directors, which is a positive sign in an industry where stock is often perishable. The gross profit margin stands at 17% to the satisfaction of the directors.

On behalf of the board

C A Marshall

**Director**

28 September 2023

# EVERGREEN EXTERIOR SERVICES LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

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

#### Principal activities

The principal activity of the company continued to be that of wholesalers of plants and shrubs.

#### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid during the year amounting to £1,234,421 (2021: £2,500,000). The directors do not recommend payment of a further dividend in respect of the year.

#### Matters covered in the strategic report

As permitted, certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1. This includes future developments and information in relation to the company's financial risk management and objectives.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

L Weeks  
D J C Cumber  
C A Marshall  
L A Gibbs

#### Auditor

In accordance with the company's articles, a resolution proposing that Beavis Morgan Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

#### Statement of disclosure to auditor

The directors confirm that so far as they are aware, there is no relevant audit information (as defined by section 418(3) of the Companies Act 2006) of which the company's auditor is unaware. They have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

C A Marshall  
**Director**

28 September 2023

# **EVERGREEN EXTERIOR SERVICES LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# EVERGREEN EXTERIOR SERVICES LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EVERGREEN EXTERIOR SERVICES LIMITED

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#### Opinion

We have audited the financial statements of Evergreen Exterior Services Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 December 2022 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 *Auditor's 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 other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

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

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# EVERGREEN EXTERIOR SERVICES LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF EVERGREEN EXTERIOR SERVICES LIMITED

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's 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 auditor's 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.

#### **Capability of the audit in detecting irregularities, including fraud**

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.

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards, Company Law and Tax and Pensions legislation.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have a material effect on the financial statements include environmental regulations and health and safety legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.



## **EVERGREEN EXTERIOR SERVICES LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

#### **TO THE MEMBERS OF EVERGREEN EXTERIOR SERVICES LIMITED**

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No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's 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.

**Matthew Burge (Senior Statutory Auditor)**  
**For and on behalf of Beavis Morgan Audit Limited**

28 September 2023

**Chartered Accountants**  
**Statutory Auditor**

82 St John Street  
London  
EC1M 4JN

# EVERGREEN EXTERIOR SERVICES LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
<b>Turnover</b>	<b>3</b>	23,647,645	24,229,634
Cost of sales		(19,519,764)	(19,869,895)
<b>Gross profit</b>		4,127,881	4,359,739
Administrative expenses		(2,010,892)	(1,818,714)
Other operating income	<b>3</b>	62,012	113,480
<b>Operating profit</b>	<b>4</b>	2,179,001	2,654,505
Interest receivable and similar income	<b>8</b>	6,350	290
Interest payable and similar expenses	<b>9</b>	(6,485)	(4,762)
<b>Profit before taxation</b>		2,178,866	2,650,033
Tax on profit	<b>10</b>	(378,645)	(90,345)
<b>Profit for the financial year</b>		1,800,221	2,559,688

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# EVERGREEN EXTERIOR SERVICES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		1,296,223		1,215,902
<b>Current assets</b>					
Stocks	13	793,010		497,418	
Debtors	14	1,513,174		1,620,752	
Cash at bank and in hand		2,990,500		2,251,190	
		5,296,684		4,369,360	
<b>Creditors: amounts falling due within one year</b>	15	(3,664,293)		(3,274,588)	
<b>Net current assets</b>			1,632,391		1,094,772
<b>Total assets less current liabilities</b>			2,928,614		2,310,674
<b>Creditors: amounts falling due after more than one year</b>	16		(66,162)		(36,034)
<b>Provisions for liabilities</b>	18		(124,038)		(102,026)
<b>Net assets</b>			2,738,414		2,172,614
<b>Capital and reserves</b>					
Called up share capital	20		14,817		14,817
Share premium account			78,785		78,785
Capital redemption reserve			17,167		17,167
Profit and loss reserves			2,627,645		2,061,845
<b>Total equity</b>			2,738,414		2,172,614

The financial statements were approved by the board of directors and authorised for issue on 28 September 2023 and are signed on its behalf by:

C A Marshall  
Director

Company Registration No. 02014181

# EVERGREEN EXTERIOR SERVICES LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2021</b>		14,817	78,785	17,167	2,002,157	2,112,926
<b>Year ended 31 December 2021:</b>						
Profit and total comprehensive income for the year		-	-	-	2,559,688	2,559,688
Dividends	11	-	-	-	(2,500,000)	(2,500,000)
<b>Balance at 31 December 2021</b>		14,817	78,785	17,167	2,061,845	2,172,614
<b>Year ended 31 December 2022:</b>						
Profit and total comprehensive income for the year		-	-	-	1,800,221	1,800,221
Dividends	11	-	-	-	(1,234,421)	(1,234,421)
<b>Balance at 31 December 2022</b>		14,817	78,785	17,167	2,627,645	2,738,414

# EVERGREEN EXTERIOR SERVICES LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	25	2,215,052	3,555,805
Interest paid		(6,485)	(4,762)
Income taxes paid		(76,921)	(312,061)
<b>Net cash inflow from operating activities</b>		<u>2,131,646</u>	<u>3,238,982</u>
<b>Investing activities</b>			
Purchase of tangible fixed assets		(23,016)	(80,926)
Proceeds on disposal of tangible fixed assets		-	21,946
Interest received		6,350	290
<b>Net cash used in investing activities</b>		<u>(16,666)</u>	<u>(58,690)</u>
<b>Financing activities</b>			
Repayment of finance lease obligations		(141,249)	(55,687)
Dividends paid		(1,234,421)	(2,500,000)
<b>Net cash used in financing activities</b>		<u>(1,375,670)</u>	<u>(2,555,687)</u>
<b>Net increase in cash and cash equivalents</b>		<u>739,310</u>	<u>624,605</u>
Cash and cash equivalents at beginning of year		<u>2,251,190</u>	<u>1,626,585</u>
<b>Cash and cash equivalents at end of year</b>		<u><u>2,990,500</u></u>	<u><u>2,251,190</u></u>

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Evergreen Exterior Services Limited is a company limited by shares, incorporated in England and Wales. The registered office is Seasons Nursery, 21 Croydon Lane, Banstead, Surrey, SM7 3BW.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Under section 454 of the Companies Act 2006, the directors can, on a voluntary basis, amend these financial statements if they subsequently prove to be defective.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

The turnover shown in the statement of comprehensive income represents the value of all goods sold during the period, less returns received, at selling price exclusive of VAT. Sales are recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attached to the product have been transferred to the customer.

#### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	2% straight line. Land is not depreciated.
Fixtures, fittings & equipment	15% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.5 Stocks**

Stocks are stated at the lower of cost and net realisable value, after making allowance for obsolete and slow-moving items.

#### **1.6 Cash and cash equivalents**

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. The assets of the scheme are held separately from those of the company in an independently administered fund.



# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.12 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged against income on a straight line basis over the lease term.

Rental income on property owned by the company is recognised when it falls due according to the relevant lease agreements.

#### 1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.14 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### *Estimated useful lives of tangible fixed assets (note 12)*

Estimation is required on determining the useful lives of such assets and their residual values.

#### *Stock (note 13)*

Estimation is required in determining the provision for slow moving stock.

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Market sales	1,432,550	1,276,871
Nursery sales	20,849,356	20,941,016
Christmas tree sales	1,365,739	2,011,747
	<u>23,647,645</u>	<u>24,229,634</u>
	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	6,350	290
Government coronavirus retention scheme grant	-	52,135
Rent receivable	62,012	61,345
	<u></u>	<u></u>

The total turnover of the company for the year and prior year have been derived from its principal activity wholly undertaken in the United Kingdom.

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	29,076	(20,309)
Government grants	-	(52,135)
Fees payable to the company's auditor for the audit of the company's financial statements	20,000	20,000
Depreciation of owned tangible fixed assets	73,659	61,468
Depreciation of tangible fixed assets held under finance leases	68,348	68,706
Profit on disposal of tangible fixed assets	-	(5,323)
Cost of stocks recognised as an expense	16,621,436	16,997,935
Operating lease charges	165,296	121,950
	<u></u>	<u></u>

### 5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	20,000	20,000
	<u></u>	<u></u>

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Administrative staff	3	4
Nursery staff	55	52
Directors	4	4
	<u>62</u>	<u>60</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	2,646,149	2,626,937
Social security costs	297,375	279,036
Pension costs	48,997	46,484
	<u>2,992,521</u>	<u>2,952,457</u>

### 7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	505,306	518,277
Company pension contributions to defined contribution schemes	3,522	2,636
	<u>508,828</u>	<u>520,913</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2021 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	155,503	131,250
Company pension contributions to defined contribution schemes	1,321	-
	<u>156,824</u>	<u>131,250</u>

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Interest receivable and similar income

	2022	2021
	£	£
<b>Interest income</b>		
Interest on bank deposits	6,350	290
	<u>6,350</u>	<u>290</u>

### 9 Interest payable and similar expenses

	2022	2021
	£	£
<b>Other finance costs:</b>		
Interest on finance leases and hire purchase contracts	6,485	4,762
	<u>6,485</u>	<u>4,762</u>

### 10 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	356,633	76,948
Adjustments in respect of prior periods	-	(43)
	<u>356,633</u>	<u>76,905</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	22,012	13,440
	<u>22,012</u>	<u>13,440</u>
<b>Total tax charge</b>	<u>378,645</u>	<u>90,345</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	<u>2,178,866</u>	<u>2,650,033</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	413,985	503,506
Tax effect of expenses that are not deductible in determining taxable profit	443	1,434
Adjustments in respect of prior years	-	(1,882)
Group relief	(29,861)	(434,454)
Deferred tax rate change	5,282	24,486
Fixed asset differences	(11,204)	(2,745)
	<u>378,645</u>	<u>90,345</u>
<b>Taxation charge for the year</b>	<u>378,645</u>	<u>90,345</u>

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 11 Dividends

	2022 £	2021 £
Dividends paid	1,234,421	2,500,000

### 12 Tangible fixed assets

	Land and buildings freehold £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2022	959,199	358,353	932,898	2,250,450
Additions	-	23,016	199,312	222,328
At 31 December 2022	959,199	381,369	1,132,210	2,472,778
<b>Depreciation and impairment</b>				
At 1 January 2022	151,399	313,573	569,576	1,034,548
Depreciation charged in the year	7,729	10,737	123,541	142,007
At 31 December 2022	159,128	324,310	693,117	1,176,555
<b>Carrying amount</b>				
At 31 December 2022	800,071	57,059	439,093	1,296,223
At 31 December 2021	807,800	44,780	363,322	1,215,902

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2022 £	2021 £
Motor vehicles	273,514	243,081

### 13 Stocks

	2022 £	2021 £
Stock	793,010	497,418

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 14 Debtors

	2022	2021
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,454,363	1,553,346
Other debtors	26,171	43,552
Prepayments and accrued income	32,640	23,854
	<u>1,513,174</u>	<u>1,620,752</u>

### 15 Creditors: amounts falling due within one year

	Notes	2022	2021
		£	£
Obligations under finance leases	17	104,565	76,630
Trade creditors		2,312,993	2,217,669
Amounts owed to parent company		-	51,964
Corporation tax		356,633	76,921
Other taxation and social security		799,871	825,574
Accruals and deferred income		90,231	25,830
		<u>3,664,293</u>	<u>3,274,588</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	2022	2021
		£	£
Obligations under finance leases	17	66,162	36,034
		<u>66,162</u>	<u>36,034</u>

### 17 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	104,565	76,630
In two to five years	66,162	36,034
	<u>170,727</u>	<u>112,664</u>

Finance lease payments represent rentals payable by the company for certain motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
<b>Balances:</b>		
Accelerated capital allowances	124,038	102,026
	<u>          </u>	<u>          </u>
<b>Movements in the year:</b>		2022 £
Liability at 1 January 2022		102,026
Charge to profit or loss		22,012
		<u>          </u>
Liability at 31 December 2022		124,038
		<u>          </u>

### 19 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	48,997	46,484
	<u>          </u>	<u>          </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 20 Share capital

	2022 £	2021 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
14,817 Ordinary shares of £1 each	14,817	14,817
	<u>          </u>	<u>          </u>

### 21 Financial commitments, guarantees and contingent liabilities

There is a fixed charge over the freehold land at 53a Woodmansterne Lane, Wallington which relates to a loan note instrument to guarantee the liabilities of Evergreen E S Holdings Limited, the ultimate parent company. The total liabilities covered by this charge at 31 December 2022 amounted to £2,405,050.

# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 22 Operating lease commitments

#### Lessee

At the reporting date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	30,430	45,645

#### Lessor

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2022 £	2021 £
Within one year	10,512	10,512

### 23 Related party transactions

Key management personnel are considered to be the directors only. The disclosure of their compensation has been included in note 7 of the financial statements.

At the balance sheet date the company owed £nil (2021: £51,964) to Evergreen Exterior Services Holdings Limited, the immediate parent company.

### 24 Ultimate controlling party

The company's immediate parent is Evergreen Exterior Services Holdings Limited, which holds 100% of the company's issued share capital and is incorporated in England and Wales. Evergreen Exterior Services Holdings Limited do not produce consolidated financial statements on behalf of the fact their parent, Evergreen E S Holdings Limited, does.

The ultimate parent undertaking is Evergreen E S Holdings Limited which is incorporated in England and Wales. The consolidated financial statements of Evergreen E S Holdings Limited are available for inspection on request at Seasons Nursery, 21 Croydon Lane, Banstead, Surrey, United Kingdom, SM7 3BW.

The company is not deemed to be under the control of any one particular individual.



# EVERGREEN EXTERIOR SERVICES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 25 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	1,800,221	2,559,688
<b>Adjustments for:</b>		
Taxation charged	378,645	90,345
Finance costs	6,485	4,762
Investment income	(6,350)	(290)
Profit on disposal of tangible fixed assets	-	(5,323)
Depreciation and impairment of tangible fixed assets	142,007	130,174
<b>Movements in working capital:</b>		
(Increase) in stocks	(295,592)	(82,880)
Decrease in debtors	107,578	1,291,177
Increase/(decrease) in creditors	82,058	(431,848)
<b>Cash generated from operations</b>	<b>2,215,052</b>	<b>3,555,805</b>

### 26 Analysis of changes in net funds

	1 January 2022 £	Cash flows £	Non-cash flows £	31 December 2022 £
Cash at bank and in hand	2,251,190	739,310	-	2,990,500
Obligations under finance leases	(112,664)	141,249	(199,312)	(170,727)
	<u>2,138,526</u>	<u>880,559</u>	<u>(199,312)</u>	<u>2,819,773</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.