

Greene, Tweed & Co. Limited

**Strategic report, directors' report
and financial statements**

Registered number 01643349

31 March 2021

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Greene, Tweed & Co. Limited

31 March 2021

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Greene, Tweed & Co. Limited

31 March 2021

Company information

Directors	K Stanley (resigned 30 September 2021) K Lukiewski L Bentley (resigned 29 May 2020) J Midwinter (appointed 1 June 2020) A Baldassarra (appointed 1 June 2020) A Bloch (appointed 1 October 2021)
Secretary	P O'Brien
Registered address	Mere Way Ruddington Fields Ruddington Nottingham NG11 6JS
Registered number	01643349
Auditor	Ernst & Young LLP One Colmore Square Birmingham B4 6HQ

Greene, Tweed & Co. Limited

31 March 2021

Strategic report

Business review

The result for the year is as follows:

	2021	2020
	£000	£000
(Loss)/profit for the financial year after taxation	(290)	1,586

The Company has been impacted by the worldwide events of the Covid-19 pandemic and there was a reduction in overall sales, predominantly due to a downturn in the Aerospace and Energy sectors relative to prior year.

The business had to put measures in place to ensure it's compliant with the recent government guidelines. As a result, we have seen an increase in administrative costs, which include increased insurance premiums and increased frequency of cleaning. The factory and offices were also subject to a one-off specialist deep clean. Due to the production line only being partially operational because of staff being on furlough, the opportunity was seized to carry out maintenance activities on the shop floor to ensure increased future reliability; also, a factory reorganisation was completed. These maintenance and reorganisation activities were essential because limited capex spend was available. This also enabled the business to prepare for when we are back to being at full operational capacity.

The outlook for the coming financial year is optimistic, as all customer markets are set to recover into 2022 and beyond.

The balance sheet remains strong and will continue to enable the organisation to invest in future opportunities, allowing us to gain market share from our competition and maintain positive relationships with our customers.

Principal risks and uncertainties facing the Company include:

Exposure to currency fluctuations

The company is moderately exposed in its trading operations to the risk of changes in foreign currency exchange rates. As the company both buys and sells the goods in US dollars and Euros, the overall risk is not significant. The main foreign currency in which the company operates is US dollar.

Economic exposure to our market sector both in the UK and worldwide

The diversity of markets and locations the Company operates in reduces the risk of the business through economic events in any one market.

Brexit

Even though the UK has reached a trade agreement with EU, at the time of submission, there is limited evidence to draw a conclusion as to how the Brexit will impact the business. We have suffered some delays and additional charges on exports to the EU from 1st January 2021. We continue working with our freight providers to ensure that the transition impact is minimal to both our supply chain and customers.

COVID-19

The directors continue assessing the ever-evolving effects of COVID-19 on the business. The company maintained its response to the impact of COVID-19 by focusing on high-margin products, extending intercompany payment terms, and deferring non-essential capital expenditure. There have been signs of recovery in both the Aerospace and Energy sectors subsequent to year end. Other markets have remained stable, and the company has every confidence that next year the business will see further recovery and as a result favourable impact on its bottom line.

DocuSigned by:

 BA0C1DC92F384CE...
A Baldassarra

Director

Dated: 17 December 2021

Greene, Tweed & Co. Limited

31 March 2021

Directors' report

The directors present their Directors' report and the audited financial statements for the year ended 31 March 2021.

Principal activities

The principal activities of the Company are the selling, marketing and manufacturing of fluid sealing devices and advanced thermoplastic products.

Directors

The directors who have held office during the year and to the date of this report were:

K Stanley	(resigned 30 September 2021)
K Lukiewski	
L Bentley	(resigned 29 May 2020)
J Midwinter	(appointed 1 June 2020)
A Baldassarra	(appointed 1 June 2020)
A Bloch	(appointed 1 October 2021)

Proposed dividend

No dividends were paid (2020: £761,000) during the year.

Market value of land and buildings

The directors consider the market value of land and buildings to be in excess of book value.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going Concern

The directors have reviewed future trading and cashflow forecasts, including a reverse stress test scenario, for the period to 31 December 2022. The company continues to hold a significant level of cash at bank which, along with cash generated within the business, is forecast to be at a level which the directors consider sufficient along with potential mitigating actions to withstand the impact of any plausible downturn in trade. As a result, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period in excess of 12 months from the approval of the financial statements through to 31 December 2022.

Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Greene, Tweed & Co. Limited

31 March 2021

Directors' report (continued)

Subsequent events

No matters or circumstances of importance have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations or results of the company.

Political contributions

No political donations were made during the year (2020: £nil).

Auditor

Ernst & Young LLP are expected to remain as auditors pursuant to Section 485 of the Companies Act 2006.

DocuSigned by:

BA0C1DC92F384CE...

A Baldassarra

Director

Dated: 17 December 2021

Greene, Tweed & Co. Limited

31 March 2021

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Greene, Tweed & Co. Limited

Opinion

We have audited the financial statements of Greene, Tweed & Co. Limited for the year ended 31 March 2021 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 20, 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 FRS 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 company's affairs as at 31 March 2021 and of its loss 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 in excess of 12 months from when the financial statements are authorised for issue, to 31 December 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Greene, Tweed & Co. Limited (continued)

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Explanation as to what extent the audit was considered capable of 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 irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulations in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including health and safety, environmental and data protection.

Independent auditor's report to the members of Greene, Tweed & Co. Limited (continued)

- We understood how Greene, Tweed & Co. Limited is complying with those frameworks by making enquiries of management to understand how the company creates awareness of relevant laws and regulations and how it maintains and communicates its policies and procedures in these areas and report any instance of non-compliance. We made enquiries of management and those charged with governance to identify any matters which could have a material impact on the company.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by understanding the culture and entity level controls present at the company and whether this had a strong emphasis on the prevention and detection of fraud. We also performed enquiries of management and those charged with governance to obtain an understanding of the company's business and accounting practices. We determined that the risk of management override of controls through top-side journal entries regarding revenue recognition had the highest risk of material misstatement. We performed correlation procedures on revenue transactions and investigated any significant postings that did not follow the expected posting pattern for sales invoices. We obtained supporting evidence and verified the validity of the postings that did not follow the expected posting pattern as part of the revenue recognition process.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved enquiry of management and those charged with governance as to their awareness of non-compliance with laws and regulations. A review of payments to detect unrecorded liabilities, contrary evidence and available correspondence with third parties did not identify any noncompliance.

A further description of our responsibilities for the audit of the financial statements is located 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.



Andrew Merrick (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham
17 December 2021

Greene, Tweed & Co. Limited

31 March 2021

Profit and loss account
for year ended 31 March 2021

	<i>Note</i>	2021 £000	2020 £000
Turnover	2	26,858	33,961
Cost of sales		(20,681)	(25,940)
Gross profit		6,177	8,021
Administrative expenses		(6,703)	(5,840)
Other operating income	3	271	5
Operating (loss)/profit	4	(255)	2,186
Other interest receivable and similar income	7	8	4
Interest payable and similar expenses	8	(119)	(123)
(Loss)/profit before taxation		(366)	2,067
Tax on (loss)/profit	9	76	(481)
(Loss)/profit for the financial year		(290)	1,586

In both the current and prior year, the Company made no material acquisitions and had no discontinued operations.

There were no recognised gains or losses in either the current or prior year other than the result shown above. Accordingly, no statement of other comprehensive income is presented.

Greene, Tweed & Co. Limited

31 March 2021

Balance sheet
at 31 March 2021

	<i>Note</i>	2021 £000	£000	2020 £000	£000
Fixed assets					
Tangible assets	10		6,360		5,932
Current assets					
Stocks	11	1,896		3,686	
Debtors	12	7,162		7,010	
Cash at bank and in hand		3,316		2,446	
		<u>12,374</u>		<u>13,142</u>	
Creditors: amounts falling due within one year	13	<u>(7,247)</u>		<u>(7,420)</u>	
Net current assets			5,127		5,722
Total assets less current liabilities			<u>11,487</u>		<u>11,654</u>
Provisions for liabilities					
Deferred tax liability	14	<u>(654)</u>		<u>(531)</u>	
			(654)		(531)
Net assets			<u>10,833</u>		<u>11,123</u>
Capital and reserves					
Called up share capital	16		-		-
Profit and loss account			10,833		11,123
Shareholders' funds			<u>10,833</u>		<u>11,123</u>

These financial statements were approved by the board of directors on 17 December 2021 and were signed on its behalf by:

DocuSigned by:
Antonio Baldassarra
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A Baldassarra

Director

Company registered number: 01643349

Greene, Tweed & Co. Limited

31 March 2021

Statement of changes in equity

	Called up share capital £000	Profit and loss account £000	Total equity £000
Balance at 1 April 2019	-	10,298	10,298
Total comprehensive income for the period			
Profit for the year	-	1,586	1,586
Transactions with owners, recorded directly in equity			
Dividends	-	(761)	(761)
Balance at 31 March 2020	<u>-</u>	<u>11,123</u>	<u>11,123</u>

	Called up share capital £000	Profit and loss account £000	Total Equity £000
Balance at 1 April 2020	-	11,123	11,123
Total comprehensive income for the period			
Loss for the year	-	(290)	(290)
Balance at 31 March 2021	<u>-</u>	<u>10,833</u>	<u>10,833</u>

Greene, Tweed & Co. Limited

31 March 2021

Notes*(forming part of the financial statements)***1. Accounting policies**

Greene, Tweed & Co. Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“*FRS 102*”) as issued in September 2015. The amendments to FRS 102 issued in March 2018 have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company is part of a group within which all companies are wholly owned. The Company has therefore adopted the following disclosure exemptions under FRS 102 within its individual accounts:

- The requirement to present a statement of cash flows and related notes
- The requirement to disclose the number of shares outstanding between the beginning and end of the period
- The requirement to make financial instrument disclosures
- The requirement to disclose transactions with related parties

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.13.

1.1. Measurement convention

The financial statements are prepared on the historical cost basis.

1.2. Going concern

The directors have reviewed future trading and cashflow forecasts, including a reverse stress test scenario, for the period to 31 December 2022. The company continues to hold a significant level of cash at bank which, along with cash generated within the business, is forecast to be at a level which the directors consider sufficient along with potential mitigating actions to withstand the impact of any plausible downturn in trade. As a result, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period in excess of 12 months from the approval of the financial statements through to 31 December 2022.

Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company’s functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at that date. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes (continued)**1 Accounting policies (continued)****1.4 Basic financial instruments***Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

Motor vehicles	- 33%
Office equipment	- 14%-33%
Plant and machinery	- 12.5%
Freehold buildings	- 2.5%

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Notes (continued)**1 Accounting policies (continued)****1.7 Impairment (excluding stocks)***Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Employee Benefits*Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Turnover

Turnover represents amounts invoiced by the Company in respect of goods sold during the year, excluding value added tax. Sales of goods are recognised when the Company has transferred the significant risks and rewards of ownership of the goods to the buyer, the amount of revenue can be measured reliably, and it is probable that the economic benefits of the transaction will flow to the Company.

Notes (continued)**1 Accounting policies (continued)****1.10. Expenses****Operating lease**

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable and Interest payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

1.11. Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

1.12. Government grants

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

1.13. Accounting estimates and judgements**Key sources of estimation uncertainty**

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates, and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Greene, Tweed & Co. Limited

31 March 2021

Notes (continued)**1 Accounting policies (continued)****1.13 Accounting estimates and judgements (continued)****Critical accounting judgements in applying the Company's accounting policies****Write-down of inventories to net realisable value**

The Company writes down inventories to net realisable value based on an estimate of the realisable value of inventories. Write-downs are recorded where events or changes in circumstances indicate that the amounts initially recorded may not be realised. The identification of write-downs requires the use of estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of inventories and write-downs of inventories in the periods in which such estimates have been changed.

Provisions

The Company has recognised provisions for impairment of inventories, impairment of trade receivable and income tax in its financial statements which required management to make judgements. The judgements, estimates, and associated assumptions necessary to calculate these provisions are based on a combination of Company policies, historical experience and other reasonable factors.

2. Turnover

The analysis of turnover by geographical area is as follows:

	2021 £000	2020 £000
United Kingdom	11,340	17,492
Western Europe	10,036	11,270
Asia	2,367	2,611
USA	574	1,393
Rest of the World	2,541	1,195
	<u>26,858</u>	<u>33,961</u>

All turnover is attributable to the Company's principal activity.

3. Other operating income

	2021 £000	2020 £000
Government grants	271	-
Other income	-	5
	<u>271</u>	<u>5</u>

Government grants have been received in terms of the UK Government's Coronavirus Job Retention Scheme.

Greene, Tweed & Co. Limited

31 March 2021

Notes (continued)**4. Operating (loss)/profit and auditor's remuneration**

(Loss)/profit for the year is stated after charging/(crediting) the following:

	2021	2020
	£000	£000
Depreciation	462	516
Gain on sale of fixed assets	(5)	-
Operating lease rentals	17	25
<i>Auditors remuneration:</i>		
- audit of these accounts	37	36
- other services	29	32
	<u> </u>	<u> </u>

The amount of foreign exchange losses recognised in the year is £320,000 (2020: gain of £90,000).

5. Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2021	2020
Management	10	8
Administration	38	49
Production	88	80
	<u> </u>	<u> </u>
	136	137
	<u> </u>	<u> </u>

The aggregate payroll costs of these persons were as follows:

	2021	2020
	£000	£000
Wages and salaries	5,259	5,140
Social security costs	621	586
Contributions to defined contribution plans (note 15)	387	393
	<u> </u>	<u> </u>
	6,267	6,119
	<u> </u>	<u> </u>

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Notes (continued)**6. Directors' remuneration**

	2021	2020
	£000	£000
Directors' remuneration	102	87
Company contributions to money purchase pension plans	11	14

	Number of directors	
	2021	2020
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	2	1

Certain directors are also directors and officers of a number of companies within the group. These directors' services to the company do not occupy a significant amount of their time. As such the directors do not consider that they have received any remuneration for their services to the company for the current year or the prior year.

7. Other interest receivable and similar income

	2021	2020
	£000	£000
Bank deposit interest	8	4
Total other interest receivable and similar income	8	4

8. Interest payable and similar expenses

	2021	2020
	£000	£000
Interest payable on loan from group undertakings	119	123
Total interest payable and similar expenses	119	123

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Notes (continued)**9. Taxation**

	2021	2020
	£000	£000
<i>Current tax</i>		
Current tax on income for the period	-	356
Adjustments in respect of prior periods	(34)	2
Total current tax	(34)	358
<i>Deferred tax (note 14)</i>		
Origination and reversal of timing differences	(42)	78
Change in tax rate	-	46
Total deferred tax	(42)	123
Total tax (credit)/expense	(76)	481
Reconciliation of effective tax rate		
	2021	2020
	£000	£000
(Loss)/profit for the year	(290)	1,586
Total tax (credit)/expense	(76)	481
(Loss)/profit excluding taxation	(366)	2,067
Tax using the UK corporation tax rate of 19.0% (2020: 19.0%)	(70)	393
Fixed asset differences	30	28
Tax rate differential	-	(2)
Adjustment in respect of previous years	(15)	2
Other temporary differences	(21)	15
Reduction in the tax rate on deferred tax balances	-	46
Total tax (credit)/expense included in profit or loss	(76)	481

On 12 March 2020 the Chancellor announced that the UK corporation tax rate will remain at 19% from 1 April 2020. On 3 March 2021 the Chancellor announced that the UK corporation tax rate will increase from 19% to 25% with effect from 1 April 2023. The increase in the tax rate was substantively enacted as at the year-end and has been taken into account in determining the deferred tax recognised.

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Notes (continued)**10. Tangible fixed assets**

	Freehold land and buildings £000	Motor vehicles £000	Office Equipment £000	Plant and machinery £000	Assets Under Construction £'000	Total £000
Cost						
Balance at 1 April 2020	6,688	7	1,875	5,773	397	14,740
Additions	-	-	165	596	129	891
Disposals	-	-	(35)	(118)	-	(153)
Transfers	-	-	-	48	(48)	-
Balance at 31 March 2021	6,688	7	2,005	6,299	478	15,477
Depreciation and impairment						
Balance at 1 April 2020	2,131	7	1,716	4,954	-	8,808
Depreciation charge for the year	145	-	83	234	-	462
Disposals	-	-	(35)	(118)	-	(153)
Balance at 31 March 2021	2,276	7	1,764	5,070	-	9,117
Net book value						
At 31 March 2021	4,412	-	241	1,229	478	6,360
At 31 March 2020	4,557	-	159	819	397	5,932

Within freehold land and buildings is £885,160 for land on which no depreciation is provided.

At the year-end, the Company's bankers had registered a fixed and floating charge over all assets and had given guarantee to HMRC to cover the Company's import activities. The ultimate parent of the Company (note 20) has provided a guarantee to the Company regarding this relationship.

11. Stocks

	2021 £000	2020 £000
Raw materials and consumables	612	1,217
Work in progress	247	166
Finished goods	1,037	2,303
	1,896	3,686

Greene, Tweed & Co. Limited

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Notes (continued)**12. Debtors**

	2021	2020
	£000	£000
Trade debtors	5,401	6,017
Amounts owed by group undertakings	1,204	636
Other debtors	29	25
Corporation tax	24	52
Prepayments and accrued income	301	259
Deferred tax assets (note 14)	203	21
	<u>7,162</u>	<u>7,010</u>

13. Creditors: amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	359	659
Amounts owed to group undertakings	5,903	5,928
Taxation and social security	141	143
Other creditors	52	51
Accruals and deferred income	792	639
	<u>7,247</u>	<u>7,420</u>

14. Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000
Accelerated capital allowances	-	-	654	531	654	531
Carried forward tax losses	(175)	-	-	-	(175)	-
Other	(28)	(21)	-	-	(28)	(21)
Deferred tax (assets) / liabilities	<u>(203)</u>	<u>(21)</u>	<u>654</u>	<u>531</u>	<u>451</u>	<u>510</u>

15. Pensions**Defined contribution plans**

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £383,000 (2020: £393,000).

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Notes (continued)**16. Capital and reserves****Share capital**

	2021 £000	2020 £000
<i>Allotted, called up and fully paid</i>		
100 ordinary shares of £1 each	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

17. Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2021 £000	2020 £000
Less than one year	1	18
Between one and five years	-	1
	<u>1</u>	<u>19</u>
	<u>1</u>	<u>19</u>

18. Related Parties

The Company has taken advantage of the exemption under FRS 102.33.1A from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

19. Subsequent events

No matters or circumstances of importance have arisen since the end of the financial year which could have significantly affected or might significantly affect the operations or results of the company.

20. Ultimate parent company and parent company of larger group

The ultimate parent and controlling party is GT Global Holdings Inc., a company incorporated in the United States of America.

The immediate parent company is Greene, Tweed Holdings International BV.

The largest group in which the results of the Company are consolidated is that headed by GT Global Holdings Inc., incorporated in the United States of America and the consolidated financial statements of this company can be obtained from 1105 North Market Street, Suite 1300, Wilmington, DE 19801, USA.