

**REGISTERED NUMBER: 04768870 (England and Wales)**

**Strategic Report, Report of the Directors and  
Financial Statements  
for the Year Ended 30 June 2023  
for  
Greencroft Bottling Company Limited**

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for the Year Ended 30 June 2023**

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**Greencroft Bottling Company Limited**

**Company Information  
for the Year Ended 30 June 2023**

**DIRECTORS:**

A L Cleary  
A A Cleary  
B W A Cleary  
C R Cleary  
V A Cleary  
M A Satchwell

**REGISTERED OFFICE:**

Greencroft Estate  
Greencroft Parkway  
Annfield Plain  
Stanley  
County Durham  
DH9 7XP

**REGISTERED NUMBER:**

04768870 (England and Wales)

**SENIOR STATUTORY  
AUDITOR:**

Simon Hook FCCA

**AUDITORS:**

Clive Owen LLP  
Chartered Accountants and Statutory Auditors  
Kepier House  
Belmont Business Park  
Durham  
DH1 1TW

**Strategic Report  
for the Year Ended 30 June 2023**

The directors present their strategic report for the year ended 30 June 2023.

**INTRODUCTION**

Greencroft Bottling Company is without doubt the most sustainable large contract bottling business on the planet. It has an unrivalled reputation for quality and service leading it to work with some of the world's largest and most successful wine and retail companies.

We continue to invest in the latest state of the art technology and have bought an 18,000 bottling per hour sparkling line to go along side our other installations, giving us a notional capacity in excess of 110,000 units per hour probably the largest volume in the UK, giving us the largest spread of production in the industry.

We pride ourselves on our outstanding quality and attention to detail and are proud of our BRC Top Grade of AA\*. The training and expertise of our people is second to none, giving us every confidence in the ongoing business growth and an excellent sustainable future for the business moving forward.

Greencroft Two is nearing completion, probably the "most sustainable large building on the planet", with newly installed 3 million watts of solar on the roof, wind powered and the first large building to have a U-value of 0.12 panels fitted to the roof and walls, it really is a stunning building.

When complete, Greencroft Two could accommodate up to 10 bottling lines and seven ancillary lines for bag-in-box, cans, pouches, key kegs or any new types of sustainable packaging.

**REVIEW OF BUSINESS**

Greencroft Bottling Company Limited has had a challenging year, as has the whole wine industry. The first half of the financial year was well above our forecasts, the second half was impacted by a 20% duty rise in the offing and interest rates going up dramatically, which saw many of our customers cutting back on stock holding.

The much higher interest rate has had a major impact on profitability regarding our new Greencroft Two building but we are an asset rich group so intend to sell one of our large warehouses which will solve this issue moving forward.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors and management of the company see risk management as an integral aspect of managing the business. The principal risks faced by the company are:-

**Foreign Currency Risk**

Foreign exchange rate risk is always present with main exposure arising from the purchase of wine, bottles and other packaging components from overseas suppliers. The company purchases currency at spot rates for the bulk of the business. However low margin business will be covered through forward contracts when necessary.

**Credit Risk**

Credit risk principally arises on trade debts. Policies and procedures exist to ensure that appropriate credit limits are set. An experienced team of credit controllers review credit accounts, set limits and chase overdue debt. Significant new accounts or increases to account limits are approved by a Director after thorough and robust checks have been carried out.

**Interest Rate Risk**

Rising interest rates become more of a factor at a time where the Company is securing funding for Greencroft Two and for investment in machinery to support further capacity growth.

HP asset purchases and financing are undertaken on fixed interest rate terms and are therefore built into future considerations.

**Liquidity Risk**

The Company receives excellent support from its bank and ensures there are sufficient funds available to meet the requirements of ongoing operations.

**Strategic Report  
for the Year Ended 30 June 2023**

**SECTION 172(1) STATEMENT**

Section 172 of the Companies Act 2006 requires the directors of a company to act in a way they consider to be in good faith and would be most likely to promote the success of the company for the benefit of all its members as a whole both in the current period and in the long term.

In discharging their duties above, the directors carefully consider, amongst other matters, the impact of their decisions on various stakeholder groups. The groups we consider in this regard are our employees, our customers, our suppliers and our shareholders as well as the wider community in which we operate. The directors recognise that building strong relationships with our stakeholders will help us to deliver our long-term strategy in line with our core values and operate the business in a sustainable way. We are committed to conducting business responsibly.

Employees

Directors receive information on various staff metrics. The directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The directors keep staff informed of key issues through structured communication channels, ensure equal opportunities in the workplace and also provide training and development opportunities where they are considered of benefit to the Company and employees. Using the Companies recruitment and development strategies, the directors seek to attract and retain talented staff.

Customers

The directors and senior management commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customers' needs to the highest standards and ensure appropriate processes are in place to mitigate and manage any disputes that may arise from time to time.

Suppliers

The directors have established Company procedures to ensure that external suppliers are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the Company. The Company seeks to pay all suppliers any undisputed amounts due and that conform with the Companies billing requirements within agreed terms. The Company has established procedures for dispute resolution in a timely and fair manner.

Community and the environment

The Company takes its role within the sector very seriously and promotes and encourages community and charitable contribution. The Company also recognises the importance of its environmental responsibilities, its impact on the local environment and its compliance with any regulatory environmental standards. The Company seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

Shareholders

The directors endeavour to create value for ultimate shareholders by ensuring the Company's performance remains strong as well as sustainable. The directors adhere to the Company's long term strategic plan when making operational decisions.

**GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION**

The company used 1,490 MWh of electricity in the year to 30 June 2023. The onsite generation of electricity was 3,784 MWh using three 500kW wind turbines and a 41kW solar array. The onsite generation is also used by Lanchester Wine Cellars Limited, a company based on the same site in common ownership. Given that the electricity is generated on site, the company would consider this to be carbon neutral electricity. The company used 3,164 MWh of natural gas with a carbon intensity of 0.18293kg of carbon dioxide emissions per kWh equating to 579 tonnes. The company used 99,196 litres of liquefied petroleum gas (LPG) with a carbon intensity of 1.55713kg of carbon dioxide emissions per litre equating to 154 tonnes. The company used 11,956 litres of kerosene fuel with a carbon intensity of 2.54016kg of carbon dioxide emissions per litre equating to 30 tonnes. Total carbon footprint of the company was 763 tonnes of carbon dioxide emissions.

**Quantification and reporting methodology**

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocols - Corporate Standard and have used the 2023 UK Government GHG Conversion Factors for Company Reporting.

**Strategic Report  
for the Year Ended 30 June 2023**

**SUSTAINABILITY**

We believe every business has a duty of care to minimise its impact on the environment, which is why Greencroft Bottling and the wider Lanchester group of companies, which includes Lanchester Wines, has worked tirelessly over the last decade to ensure sustainability is at our core.

There is, unfortunately, no 'one size fits all' solution when it comes to sustainability and so we've invested considerably to identify which changes we can make to lessen our effect on our planet. Our business' greatest opportunity to make a change is through minimising our reliance on fossil fuels. As such, we've invested around £10million in renewable heat and energy generation at our sites across the North East of England and today our business is powered almost completely by renewable wind and solar energy, with heat generated from geothermal heat pump technology.

Greencroft Two has been developed with sustainability front of mind.

" The building will be the first in the UK to use Quadcore insulation PowerPanels fitted on the roof. The PowerPanels have a U-Value of 0.12 W/m<sup>2</sup>K, as does the insulation fitted on the walls, making Greencroft Two one of the most advanced thermally efficient buildings in the market.

" The PowerPanels in the roof will have 3 Megawatts of solar which will create around 1.7m kilowatt hours of electricity per year - the solar panels are efficient at cooler temperatures so County Durham's bright and sunny, yet rather chilly, weather is perfect for our generating clean renewable power that we can use within our facility and assist us in reaching our sustainability targets.

" The existing wind turbines will also provide backup power and we will, at a later date, be installing batteries to store the power we generate - the challenge with renewable energy is that it's not always used when it's produced.

" When Greencroft Two is complete, it is estimated that, overall (new solar and existing on-site wind turbines combined), the business will generate over 7.5 million Kilowatt hours per year of clean, renewable energy.

It is also hugely important that we ship over 93% of our wine through our two local ports; Port of Tyne and Teesport, which are very close to our production facility.

We are without doubt world leading when it comes to sustainability - a restless pioneer of renewable energy, with a proven track record for pushing at the boundaries of green technology.

**The Future**

We have had an excellent start to our new financial year, and we see many customers bottling in the country of consumption rather than country of origin, with our reputation for quality and service this puts us in a great position moving forward.

UK Bottling, we firmly believe, will move from strength to strength as the benefits of bulk wine come to the fore. While shipping in bulk is better for the wine itself, the most obvious benefit is the ability to more than double the amount of wine in each container:

- 1x20ft container can carry 13,200 bottles, equivalent to 9,000 litres
- 1x20ft container with 1 x flexitank can carry 24,000 litres of wine, equivalent to 32,000 bottles

With this comes a significant win on the environmental front, with CO<sub>2</sub> savings of up to 40% - around 2kg of CO<sub>2</sub> per km travelled.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The table below shows the key performance indicators used by the company to manage the business:

	2023	2022 (as restated)	2022
	£	£	£
Revenue	68,968,473	62,772,786	62,772,786
Gross profit (%)	18.4	20.8	30.4
Operating profit	2,657,951	3,235,178	3,235,178
EBITDA	4,291,791	5,111,896	5,111,896

**Strategic Report  
for the Year Ended 30 June 2023**

**OTHER KEY PERFORMANCE INDICATORS**

**Employee recruitment and retention**

The group's performance relies upon the retention of key personnel and fortunately we have no issues keeping our talented people. With fresh new challenges and a profit share scheme, our managers and senior people appreciate how we operate.

**ON BEHALF OF THE BOARD:**

M A Satchwell - Director

14 December 2023

**Report of the Directors  
for the Year Ended 30 June 2023**

The directors present their report with the financial statements of the company for the year ended 30 June 2023.

**PRINCIPAL ACTIVITY**

contract bottling business.

**DIVIDENDS**

The total distribution of dividends for the year ended 30 June 2023 will be £253,000 (2022: £196,000).

**DIRECTORS**

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

A L Cleary  
A A Cleary  
B W A Cleary  
C R Cleary  
V A Cleary  
M A Satchwell

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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.

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

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



**Report of the Directors  
for the Year Ended 30 June 2023**

**AUDITORS**

The auditors, Clive Owen LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

M A Satchwell - Director

14 December 2023

## **Report of the Independent Auditors to the Members of Greencroft Bottling Company Limited**

### **Opinion**

We have audited the financial statements of Greencroft Bottling Company Limited (the 'company') for the year ended 30 June 2023 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

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

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

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

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

### **Other information**

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

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

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

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

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

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

## **Report of the Independent Auditors to the Members of Greencroft Bottling Company Limited**

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

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

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

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

### **Responsibilities of directors**

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

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

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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.

Our audit must be alert to the risk of manipulation of the financial statements and seek to understand the incentives and opportunities for management to achieve this.

We have undertaken the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Company. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be financial reporting legislation, Customs Warehousing Regulations 1991, Alcohol Wholesaler Registration Scheme (AWRS), company law, taxation legislation, health & safety, and employment law.
- Enquiry of directors and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of directors and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on assumptions and judgements made in the preparation of the financial statements. We discuss the key estimates within the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

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

**Report of the Independent Auditors to the Members of  
Greencroft Bottling Company Limited**

**Use of our report**

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

Simon Hook FCCA (Senior Statutory Auditor)  
for and on behalf of Clive Owen LLP  
Chartered Accountants and Statutory Auditors  
Kepier House  
Belmont Business Park  
Durham  
DH1 1TW

Date: 14 December 2023

**Greencroft Bottling Company Limited (Registered number: 04768870)**

**Statement of Income and  
Retained Earnings  
for the Year Ended 30 June 2023**

		2023	2022 as restated
	Notes	£	£
<b>TURNOVER</b>	3	68,968,473	62,772,786
Cost of sales		<u>56,249,952</u>	<u>49,740,346</u>
<b>GROSS PROFIT</b>		12,718,521	13,032,440
Administrative expenses		<u>10,215,570</u>	<u>9,952,262</u>
		2,502,951	3,080,178
Other operating income		<u>155,000</u>	<u>155,000</u>
<b>OPERATING PROFIT</b>	5	2,657,951	3,235,178
Interest receivable and similar income	6	<u>881,702</u>	<u>313,438</u>
		3,539,653	3,548,616
Interest payable and similar expenses	7	<u>1,447,842</u>	<u>497,550</u>
<b>PROFIT BEFORE TAXATION</b>		2,091,811	3,051,066
Tax on profit	8	<u>350,234</u>	<u>552,475</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,741,577	2,498,591
Retained earnings at beginning of year		18,496,229	16,193,638
Dividends	9	<u>(253,000)</u>	<u>(196,000)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u><u>19,984,806</u></u>	<u><u>18,496,229</u></u>

The notes form part of these financial statements

**Greencroft Bottling Company Limited (Registered number: 04768870)**

**Balance Sheet  
30 June 2023**

		2023		2022 as restated	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	11		54,199		138,790
Tangible assets	12		9,637,083		7,578,299
Investments	13		<u>-</u>		<u>-</u>
			9,691,282		7,717,089
<b>CURRENT ASSETS</b>					
Stocks	14	2,596,988		2,814,884	
Debtors	15	32,129,943		31,663,731	
Cash at bank and in hand		<u>288</u>		<u>566,924</u>	
			34,727,219		35,045,539
<b>CREDITORS</b>					
Amounts falling due within one year	16	<u>21,706,881</u>		<u>21,220,599</u>	
<b>NET CURRENT ASSETS</b>			<u>13,020,338</u>		<u>13,824,940</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			22,711,620		21,542,029
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(1,655,603)		(2,383,314)
<b>PROVISIONS FOR LIABILITIES</b>	20		<u>(1,060,434)</u>		<u>(651,709)</u>
<b>NET ASSETS</b>			<u><u>19,995,583</u></u>		<u><u>18,507,006</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		10,577		10,577
Capital redemption reserve	22		200		200
Retained earnings	22		<u>19,984,806</u>		<u>18,496,229</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>19,995,583</u></u>		<u><u>18,507,006</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 14 December 2023 and were signed on its behalf by:

M A Satchwell - Director

The notes form part of these financial statements

**Greencroft Bottling Company Limited (Registered number: 04768870)**

**Cash Flow Statement  
for the Year Ended 30 June 2023**

		2023	2022
	Notes	£	as restated £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	4,385,113	(974,408)
Tax paid		<u>(471,321)</u>	<u>(710,425)</u>
Net cash from operating activities		<u>3,913,792</u>	<u>(1,684,833)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(3,949)	-
Purchase of tangible fixed assets		(3,716,107)	(1,170,095)
Sale of tangible fixed assets		114,319	35,912
HP interest paid		(268,652)	(95,460)
Interest received		<u>881,702</u>	<u>313,438</u>
Net cash from investing activities		<u>(2,992,687)</u>	<u>(916,205)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(1,179,190)	(402,090)
Net movement on finance leases		(582,236)	(473,268)
Net movement on invoice finance facility		(299,605)	4,001,536
Net movement on loans against import		636,000	(491,590)
Government grants		155,000	-
Dividends paid		<u>(253,000)</u>	<u>(196,000)</u>
Net cash from financing activities		<u>(1,523,031)</u>	<u>2,438,588</u>
<b>Decrease in cash and cash equivalents</b>		<u>(601,926)</u>	<u>(162,450)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>566,924</u>	<u>729,374</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>(35,002)</u></u>	<u><u>566,924</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 30 June 2023

1. **RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS**

	2023	2022 as restated
	£	£
Profit for the financial year	1,741,577	2,498,591
Depreciation charges	1,633,838	1,876,718
Profit on disposal of fixed assets	(2,294)	(26,007)
Government grants	(155,000)	(155,000)
Finance costs	1,447,842	497,550
Finance income	(881,702)	(313,438)
Taxation	<u>350,234</u>	<u>552,475</u>
	4,134,495	4,930,889
Decrease/(increase) in stocks	217,896	(596,105)
Increase in trade and other debtors	(386,654)	(6,965,810)
Increase in trade and other creditors	<u>419,376</u>	<u>1,656,618</u>
<b>Cash generated from operations</b>	<u><u>4,385,113</u></u>	<u><u>(974,408)</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 June 2023**

	30.6.23	1.7.22
	£	£
Cash and cash equivalents	288	566,924
Bank overdrafts	<u>(35,290)</u>	<u>-</u>
	<u><u>(35,002)</u></u>	<u><u>566,924</u></u>

**Year ended 30 June 2022**

	30.6.22	1.7.21
	£	£
Cash and cash equivalents	<u>566,924</u>	<u>729,374</u>



Notes to the Cash Flow Statement  
for the Year Ended 30 June 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.22 £	Cash flow £	At 30.6.23 £
<b>Net cash</b>			
Cash at bank and in hand	566,924	(566,636)	288
Bank overdrafts	<u>-</u>	<u>(35,290)</u>	<u>(35,290)</u>
	<u>566,924</u>	<u>(601,926)</u>	<u>(35,002)</u>
<b>Debt</b>			
Finance leases	(2,841,634)	582,236	(2,259,398)
Debts falling due within 1 year	<u>(2,013,900)</u>	<u>(636,000)</u>	<u>(2,649,900)</u>
	<u>(4,855,534)</u>	<u>(53,764)</u>	<u>(4,909,298)</u>
<b>Total</b>	<u><u>(4,288,610)</u></u>	<u><u>(655,690)</u></u>	<u><u>(4,944,300)</u></u>

**Notes to the Financial Statements  
for the Year Ended 30 June 2023**

**1. STATUTORY INFORMATION**

Greencroft Bottling Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Turnover**

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

**Income recognition**

Turnover represents the sale of goods and is recognised when the significant risk and rewards of ownership of the goods have transferred to the buyer, usually on transfer of the goods to the bonded warehouse.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Software costs are being amortised evenly over their estimated useful life of seven years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Assets under construction	- not provided
Long leasehold	- 10% on cost
Plant and machinery	- 10 - 25% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

**Stocks**

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

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

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

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

2. ACCOUNTING POLICIES - continued

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Significant judgements and estimates**

The following estimates have been made in the process of applying the above accounting policies that have had the most significant effect on amounts recognised in the financial statements:

Depreciation - Depreciation is calculated so as to write off the cost of an asset, less its residual value, over the economic life of that asset. An estimate of the useful life of assets is detailed in the depreciation accounting policy above. The value of depreciation charge during the year was £1,545,298. There is also judgement involved with the assets under construction, the timing of bringing the asset into use needs to be considered and this would be when depreciation starts to be charged on the asset.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2023	2022 as restated
	£	£
United Kingdom	65,137,521	60,614,307
Rest of the world	<u>3,830,952</u>	<u>2,158,479</u>
	<u>68,968,473</u>	<u>62,772,786</u>

4. EMPLOYEES AND DIRECTORS

	2023	2022 as restated
	£	£
Wages and salaries	7,586,945	6,731,418
Social security costs	677,693	537,313
Other pension costs	<u>193,254</u>	<u>177,937</u>
	<u>8,457,892</u>	<u>7,446,668</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

4. **EMPLOYEES AND DIRECTORS - continued**

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

	2023	2022 as restated
Operational	247	216
Administrative	21	17
Management	<u>19</u>	<u>22</u>
	<u>287</u>	<u>255</u>

	2023	2022 as restated
	£	£
Directors' remuneration	83,907	89,498
Directors' pension contributions to money purchase schemes	<u>2,194</u>	<u>16,910</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
------------------------	----------	----------

5. **OPERATING PROFIT**

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

	2023	2022 as restated
	£	£
Hire of plant and machinery	62,865	46,036
Other operating leases	920,097	858,651
Depreciation - owned assets	1,545,298	1,700,197
Profit on disposal of fixed assets	(2,294)	(26,007)
Software costs amortisation	88,540	176,521
Fees paid to auditors for audit work	21,000	15,750
Fees paid to auditors for other services	<u>2,750</u>	<u>3,025</u>

6. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2023	2022 as restated
	£	£
Loan interest received	<u>881,702</u>	<u>313,438</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2023	2022 as restated
	£	£
Invoice finance charges	585,961	335,496
Recharged loan interest	483,421	-
Interest payable	109,808	66,594
Hire purchase	<u>268,652</u>	<u>95,460</u>
	<u>1,447,842</u>	<u>497,550</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

8. **TAXATION**

**Analysis of the tax charge**

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

	2023	2022 as restated
	£	£
Current tax:		
UK corporation tax	-	495,709
Overprovision in the prior year	(58,491)	-
Total current tax	<u>(58,491)</u>	<u>495,709</u>
Deferred tax:		
Deferred tax	403,220	56,766
Underprovision in the prior year	<u>5,505</u>	<u>-</u>
Total deferred tax	<u>408,725</u>	<u>56,766</u>
Tax on profit	<u><u>350,234</u></u>	<u><u>552,475</u></u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2023	2022 as restated
	£	£
Profit before tax	<u>2,091,811</u>	<u>3,051,066</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20.500% (2022 - 19%)	428,821	579,703
Effects of:		
Expenses not deductible for tax purposes	10,793	9,464
Adjustments to tax charge in respect of previous periods	(52,987)	(20)
Tax rate charges and differentials	72,620	20,279
Benefits of super deduction	<u>(109,013)</u>	<u>(56,951)</u>
Total tax charge	<u><u>350,234</u></u>	<u><u>552,475</u></u>

9. **DIVIDENDS**

	2023	2022 as restated
	£	£
Ordinary shares of £1 each		
Interim	133,000	100,000
A Voting Shares shares of £1 each		
Interim	75,000	60,000
B Non-voting shares shares of £1 each		
Interim	<u>45,000</u>	<u>36,000</u>
	<u><u>253,000</u></u>	<u><u>196,000</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

10. **PRIOR YEAR ADJUSTMENT**

A prior year adjustment of £6,025,458 has been made in relation to the reclassification of wages from administrative expenses to cost of sales. The changes have resulted in a nil impact to results for 30 June 2023.

11. **INTANGIBLE FIXED ASSETS**

	Software costs £
<b>COST</b>	
At 1 July 2022	1,235,644
Additions	<u>3,949</u>
At 30 June 2023	<u>1,239,593</u>
<b>AMORTISATION</b>	
At 1 July 2022	1,096,854
Amortisation for year	<u>88,540</u>
At 30 June 2023	<u>1,185,394</u>
<b>NET BOOK VALUE</b>	
At 30 June 2023	<u><u>54,199</u></u>
At 30 June 2022	<u><u>138,790</u></u>

12. **TANGIBLE FIXED ASSETS**

	Assets under construction £	Long leasehold £	Plant and machinery £
<b>COST</b>			
At 1 July 2022	2,854,073	1,595,498	17,066,158
Additions	3,526,027	2,800	175,560
Disposals	(112,025)	-	-
Reclassification/transfer	<u>(672,433)</u>	<u>-</u>	<u>672,433</u>
At 30 June 2023	<u>5,595,642</u>	<u>1,598,298</u>	<u>17,914,151</u>
<b>DEPRECIATION</b>			
At 1 July 2022	-	1,306,880	12,837,013
Charge for year	<u>-</u>	<u>89,203</u>	<u>1,383,131</u>
At 30 June 2023	<u>-</u>	<u>1,396,083</u>	<u>14,220,144</u>
<b>NET BOOK VALUE</b>			
At 30 June 2023	<u><u>5,595,642</u></u>	<u><u>202,215</u></u>	<u><u>3,694,007</u></u>
At 30 June 2022	<u><u>2,854,073</u></u>	<u><u>288,618</u></u>	<u><u>4,229,145</u></u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

12. TANGIBLE FIXED ASSETS - continued

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 July 2022	409,144	411,975	22,336,848
Additions	11,720	-	3,716,107
Disposals	-	-	(112,025)
Reclassification/transfer	-	-	-
At 30 June 2023	<u>420,864</u>	<u>411,975</u>	<u>25,940,930</u>
<b>DEPRECIATION</b>			
At 1 July 2022	298,110	316,546	14,758,549
Charge for year	<u>38,550</u>	<u>34,414</u>	<u>1,545,298</u>
At 30 June 2023	<u>336,660</u>	<u>350,960</u>	<u>16,303,847</u>
<b>NET BOOK VALUE</b>			
At 30 June 2023	<u>84,204</u>	<u>61,015</u>	<u>9,637,083</u>
At 30 June 2022	<u>111,034</u>	<u>95,429</u>	<u>7,578,299</u>

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

13. FIXED ASSET INVESTMENTS

	Unlisted investments £
<b>COST</b>	
At 1 July 2022 and 30 June 2023	<u>731,185</u>
<b>PROVISIONS</b>	
At 1 July 2022 and 30 June 2023	<u>731,185</u>
<b>NET BOOK VALUE</b>	
At 30 June 2023	<u>-</u>
At 30 June 2022	<u>-</u>

14. STOCKS

	2023 £	2022 as restated £
Raw materials	<u>2,596,988</u>	<u>2,814,884</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

15. **DEBTORS**

	2023	2022 as restated
	£	£
Amounts falling due within one year:		
Trade debtors	12,219,605	12,794,328
Amounts owed by participating interests	4,987,609	2,912,961
Other debtors	87,365	83,215
Directors' current accounts	76,398	-
Prepayments and accrued income	352,759	616,823
	<u>17,723,736</u>	<u>16,407,327</u>
Amounts falling due after more than one year:		
Amounts owed by participating interests	<u>14,406,207</u>	<u>15,256,404</u>
Aggregate amounts	<u>32,129,943</u>	<u>31,663,731</u>

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

	2023	2022 as restated
	£	£
Bank loans and overdrafts (see note 18)	2,685,190	2,013,900
Hire purchase contracts (see note 19)	603,795	582,236
Trade creditors	6,498,611	5,196,186
Amounts owed to participating interests	47,491	81,166
Corporation tax	-	450,254
Taxation and social security	590,221	1,041,977
Other creditors	40,134	190,701
Accruals and deferred income	806,413	929,548
Invoice finance facility	<u>10,435,026</u>	<u>10,734,631</u>
	<u>21,706,881</u>	<u>21,220,599</u>

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

	2023	2022 as restated
	£	£
Hire purchase contracts (see note 19)	1,655,603	2,259,398
Deferred government grants	-	123,916
	<u>1,655,603</u>	<u>2,383,314</u>



Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

18. **LOANS**

An analysis of the maturity of loans is given below:

	2023	2022 as restated
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	35,290	-
Bank loans	<u>2,649,900</u>	<u>2,013,900</u>
	<u>2,685,190</u>	<u>2,013,900</u>

19. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 2023	2022 as restated
	£	£
Net obligations repayable:		
Within one year	603,795	582,236
Between one and five years	<u>1,655,603</u>	<u>2,259,398</u>
	<u>2,259,398</u>	<u>2,841,634</u>

	Non-cancellable operating leases	2022 as restated
	2023	£
	£	£
Within one year	<u>-</u>	<u>105,600</u>

20. **PROVISIONS FOR LIABILITIES**

	2023	2022 as restated
	£	£
Deferred tax	<u>1,060,434</u>	<u>651,709</u>
		Deferred tax
		£
Balance at 1 July 2022		651,709
Accelerated capital allowances		403,220
Underprovision in the prior year		<u>5,505</u>
Balance at 30 June 2023		<u>1,060,434</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2023	2022 as restated
Number:	Class:		£	£
7,910	Ordinary	£1	7,910	7,910
1,077	A Voting Shares	£1	1,077	1,077
1,590	B Non-voting shares	£1	<u>1,590</u>	<u>1,590</u>
			<u>10,577</u>	<u>10,577</u>

22. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 July 2022	18,496,229	200	18,496,429
Profit for the year	1,741,577		1,741,577
Dividends	<u>(253,000)</u>		<u>(253,000)</u>
At 30 June 2023	<u>19,984,806</u>	<u>200</u>	<u>19,985,006</u>

23. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £193,254 (2022: £177,937). Contributions totalling £39,873 (2022: £34,784) were payable to the fund at the balance sheet date and are included in creditors.

24. CONTINGENT LIABILITIES

The company, together with Lanchester Wine Cellars Limited, is party to an unlimited cross-guarantee in respect of their indebtedness to the bank. The aggregate amount outstanding at the balance sheet date to which the guarantee relates is £43,119,258 (2022: £30,910,226), of which £13,987,243 (2022: £13,834,083) is recognised as a liability in these financial statements.

25. CAPITAL COMMITMENTS

	2023	2022 as restated
	£	£
Contracted but not provided for in the financial statements	<u>1,510,527</u>	<u>79,617</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 June 2023

26. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the years ended 30 June 2023 and 30 June 2022:

	2023	2022 as restated
	£	£
<b>M A Satchwell</b>		
Balance outstanding at start of year	76,398	76,398
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>76,398</u>	<u>76,398</u>

There has been no interest charged on the director's loan account.

27. **RELATED PARTY DISCLOSURES**

**Companies under common control**

	2023	2022 as restated
	£	£
Sales	7,899,668	5,694,735
Purchases	1,484,922	1,062,822
Management charges	2,230,560	1,449,000
Interest paid	450,378	-
Interest received	881,702	313,938
Amount due from related party	19,395,278	18,087,307
Amount due to related party	<u>48,725</u>	<u>81,166</u>

Key management personnel comprise the directors, whose remuneration is disclosed in note 4.

28. **ULTIMATE CONTROLLING PARTY**

The company is controlled jointly by A A Cleary and V A Cleary by virtue of their equal shareholdings.