

REGISTERED NUMBER: 04768870 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements

for the Year Ended 30 June 2024

for

Greencroft Bottling Company Limited

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for the Year Ended 30 June 2024**

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Greencroft Bottling Company Limited

**Company Information
for the Year Ended 30 June 2024**

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 2024**

The directors present their strategic report for the year ended 30 June 2024.

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 now complete and the new 18,000 bottles per hour line is fully operational and is 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.

REVIEW OF BUSINESS

Greencroft Bottling Company has had its most challenging year since its inception back in 2003. The duty increase of 20% had a massive impact on the whole industry, and we were no exception. Volumes were well down in the first six months of trading and as a Family business we took the decision to keep all our well trained and valued people as we foresaw the business would start to recover which it duly did but towards the end of the financial year which had a severe impact on our profits for the year. This decision has proved to be correct as the volumes are now much higher and without some of our great people we just would not have coped with these increases.

The high interest rates have also impacted our profitability as our borrowings are much higher due to the building of Greencroft Two, but on the plus side, building this state-of-the-art sustainable facility would probably cost 20% more if we built it today. All our customers are delighted to be filling in Greencroft Two as it adds massively to their own sustainability story, as shipping wine in bulk saves millions of tons of carbon worldwide, as well as great financial savings and of course giving a super quality product.

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 2 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 2024**

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.

**Strategic Report
for the Year Ended 30 June 2024**

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

The company's greenhouse gas emissions and energy consumption are as follows:

Energy consumption used to calculate emissions (KWh)

	2024	2023
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1) (tCO ₂ e)	681	763
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) (tCO ₂ e)	253	309
Total gross Scope 1 & Scope 2 emissions (tCO₂e)	934	1072
Energy consumption used to calculate above emissions:		
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1) (kWh)	3,164,051	3,989,177
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) (kWh)	2,185,655	1,490,209
Total gross Scope 1 & Scope 2 emissions (kWh)	5,349,706	5,479,386
Intensity ratio: tCO ₂ e (gross Scope 1 + 2) per £100,000 revenue	1.49	1.55

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 2024 UK Government GHG Conversion Factors for Company Reporting.

**Strategic Report
for the Year Ended 30 June 2024**

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 £13million 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/m²K, 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 2.6m 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.

" With Greencroft Two now being 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 are in a total turn around position verses last financial year this year. We are forecasting to have our best year in the history of the business despite all the head winds the Government are hitting us with. We are working very hard on our efficiencies throughout the whole business, and we are starting to see some significant improvements. Our fully automated Tank Room in Greencroft Two is showing the way with a huge increase and our new bottling line has many automated units in place again showing really excellent efficiencies. We will be starting to move production lines from Greencroft One to Greencroft Two in the new year, and when completed together with the new semi-automated warehouse we will have the most efficient wine bottling and storage operation certainly in the UK if not in Europe.

Owning the whole site within the Group will be a huge advantage, as this will be the third large building we have constructed on our site so have the experience and time to do it right first time and our engineering department have installed ten filling lines in the past few years so have all the knowledge and experience to achieve this challenging goal in a timely manner.

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 contain can carry 13,200 bottles, equivalent to 9,000 litres
- 1 20ft container with x1 flexitank can carry 24,000 litres of wine, equivalent to 32,000 bottles

With this comes a significant win on the environmental front, with CO₂ savings of up to 40% - around 2kg of CO₂ per km travelled.

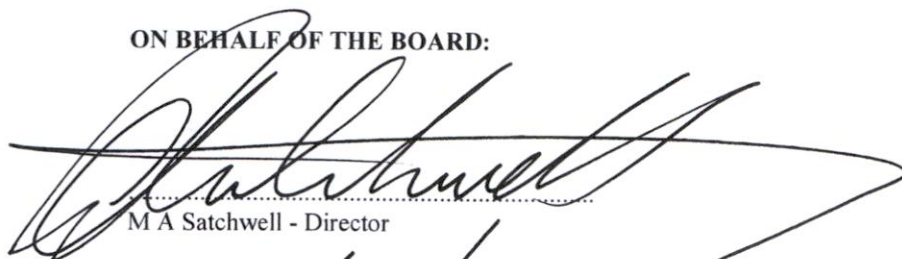
Strategic Report
for the Year Ended 30 June 2024

FINANCIAL KEY PERFORMANCE INDICATORS

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

	2024	2023
	£	£
Revenue	62,502,448	68,968,473
Gross profit (%)	18.8	18.4
Operating profit	1,565,650	2,657,951
EBITDA	3,062,502	4,291,791

ON BEHALF OF THE BOARD:



M A Satchwell - Director

Date:

26/03/25

**Report of the Directors
for the Year Ended 30 June 2024**

The directors present their report with the financial statements of the company for the year ended 30 June 2024.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of contract bottling business.

DIVIDENDS

The total distribution of dividends for the year ended 30 June 2024 will be £272,000 (2022: £253,000).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2023 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

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.

Disabled employees

All disabled employees are eligible for training and promotion and, within the limits of their disabilities, are given equal consideration with other applicants.

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

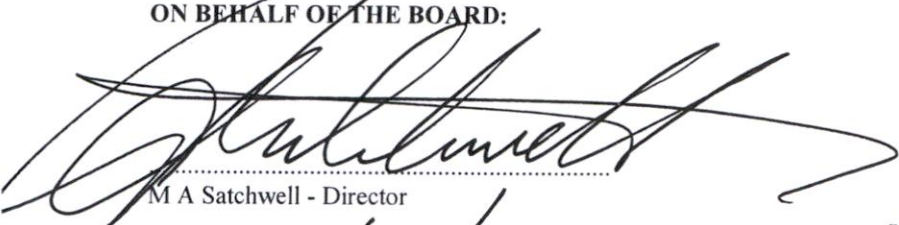
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware 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 2024**

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

Date:

26/03/25 .

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 2024 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 2024 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 seven, 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. These key areas of uncertainty are disclosed in 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. 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.

Clive Owen LLP

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: *27/3/15*

Greencroft Bottling Company Limited (Registered number: 04768870)

**Statement of Income and
Retained Earnings
for the Year Ended 30 June 2024**

	Notes	2024 £	2023 £
TURNOVER	3	62,502,448	68,968,473
Cost of sales		(50,781,807)	(56,249,952)
GROSS PROFIT		11,720,641	12,718,521
Administrative expenses		(10,449,977)	(10,215,570)
		1,270,664	2,502,951
Other operating income		294,986	155,000
OPERATING PROFIT	5	1,565,650	2,657,951
Interest receivable and similar income	6	946,582	881,702
		2,512,232	3,539,653
Interest payable and similar expenses	7	(2,457,804)	(1,447,842)
PROFIT BEFORE TAXATION		54,428	2,091,811
Tax on profit	8	(23,195)	(350,234)
PROFIT FOR THE FINANCIAL YEAR		31,233	1,741,577
Retained earnings at beginning of year		19,984,806	18,496,229
Dividends	9	(272,000)	(253,000)
RETAINED EARNINGS AT END OF YEAR		19,744,039	19,984,806


The notes form part of these financial statements

Greencroft Bottling Company Limited (Registered number: 04768870)

Balance Sheet
30 June 2024

	Notes	2024	2023
		£	£
FIXED ASSETS			
Intangible assets	10	28,973	54,199
Tangible assets	11	11,384,136	9,637,083
Investments	12	-	-
		<u>11,413,109</u>	<u>9,691,282</u>
CURRENT ASSETS			
Stocks	13	4,140,737	2,596,988
Debtors	14	33,398,734	32,129,943
Cash at bank and in hand		73,888	288
		<u>37,613,359</u>	<u>34,727,219</u>
CREDITORS			
Amounts falling due within one year	15	<u>27,157,746</u>	<u>21,706,881</u>
NET CURRENT ASSETS		<u>10,455,613</u>	<u>13,020,338</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>21,868,722</u>	<u>22,711,620</u>
CREDITORS			
Amounts falling due after more than one year	16	(1,030,277)	(1,655,603)
PROVISIONS FOR LIABILITIES	20	<u>(1,083,629)</u>	<u>(1,060,434)</u>
NET ASSETS		<u><u>19,754,816</u></u>	<u><u>19,995,583</u></u>
CAPITAL AND RESERVES			
Called up share capital	21	10,577	10,577
Capital redemption reserve	22	200	200
Retained earnings	22	<u>19,744,039</u>	<u>19,984,806</u>
SHAREHOLDERS' FUNDS		<u><u>19,754,816</u></u>	<u><u>19,995,583</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 26/08/25 and were signed on its behalf by:


M A Satchwell - Director

The notes form part of these financial statements

**Cash Flow Statement
for the Year Ended 30 June 2024**

	Notes	2024 £	2023 £
Cash flows from operating activities			
Cash generated from operations	1	881,341	4,385,113
Interest paid		(1,938,696)	(1,179,190)
Interest element of hire purchase payments paid		(519,108)	(268,652)
Tax paid		-	(471,321)
Taxation refund		60,602	-
Net cash from operating activities		<u>(1,515,861)</u>	<u>2,465,950</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(3,949)
Purchase of tangible fixed assets		(3,273,514)	(3,716,107)
Sale of tangible fixed assets		54,835	114,319
Interest received		946,582	881,702
Net cash from investing activities		<u>(2,272,097)</u>	<u>(2,724,035)</u>
Cash flows from financing activities			
Net movement on finance leases		(603,832)	(582,236)
Net movement on invoice finance facility		1,262,735	(299,605)
Net movement on loans against import		3,386,029	636,000
Government grants		123,916	155,000
Dividends paid		(272,000)	(253,000)
Net cash from financing activities		<u>3,896,848</u>	<u>(343,841)</u>
Increase/(decrease) in cash and cash equivalents		<u>108,890</u>	<u>(601,926)</u>
Cash and cash equivalents at beginning of year	2	<u>(35,002)</u>	<u>566,924</u>
Cash and cash equivalents at end of year	2	<u><u>73,888</u></u>	<u><u>(35,002)</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 30 June 2024

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

	2024	2023
	£	£
Profit for the financial year	31,233	1,741,577
Depreciation charges	1,467,057	1,633,838
Loss/(profit) on disposal of fixed assets	29,795	(2,294)
Government grants	(123,916)	(155,000)
Finance costs	2,457,804	1,447,842
Finance income	(946,582)	(881,702)
Taxation	23,195	350,234
	<u>2,938,586</u>	<u>4,134,495</u>
(Increase)/decrease in stocks	(1,543,749)	217,896
Increase in trade and other debtors	(1,348,349)	(386,654)
Increase in trade and other creditors	834,853	419,376
	<u>881,341</u>	<u>4,385,113</u>
Cash generated from operations		

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 2024

	30.6.24	1.7.23
	£	£
Cash and cash equivalents	73,888	288
Bank overdrafts	-	(35,290)
	<u>73,888</u>	<u>(35,002)</u>

Year ended 30 June 2023

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

Notes to the Cash Flow Statement
for the Year Ended 30 June 2024

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.23 £	Cash flow £	Other non-cash changes £	At 30.6.24 £
Net cash				
Cash at bank and in hand	288	73,600		73,888
Bank overdrafts	(35,290)	35,290		-
	<u>(35,002)</u>	<u>108,890</u>		<u>73,888</u>
Debt				
Finance leases	(2,259,398)	603,832	-	(1,655,566)
Debts falling due within 1 year	<u>(2,649,900)</u>	<u>1,354,320</u>	<u>(4,740,349)</u>	<u>(6,035,929)</u>
	<u>(4,909,298)</u>	<u>1,958,152</u>	<u>(4,740,349)</u>	<u>(7,691,495)</u>
Total	<u><u>(4,944,300)</u></u>	<u><u>2,067,042</u></u>	<u><u>(4,740,349)</u></u>	<u><u>(7,617,607)</u></u>

**Notes to the Financial Statements
for the Year Ended 30 June 2024**

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.

There were no material departures from that standard during the year.

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 or, if held under a finance lease, over the lease term, whichever is the shorter.

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

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

Stocks

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Financial instruments

Basic financial instruments are recognised at amortised cost with changes recognised in profit or loss.

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.

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2024**

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

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.

Invoice financing

The invoice financing creditor represents amounts received in respect of financed debts. There is full recourse to the company for losses on debts, and so the financed debts continue to be recognised on the balance sheet. Interest and other charges relating to invoice financing are recognised in the profit and loss account over the relevant period.

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 £1,441,831. 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.

Bad debts - There is an element of estimation and judgement made by the directors when considering the bad debt provision included within Trade Debtors.

Grants

Capital based grants are credited to the profit and loss account in equal instalments, over the estimated useful life of the related asset.

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

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:

	2024 £	2023 £
United Kingdom	55,847,058	65,137,521
Rest of the world	6,655,390	3,830,952
	<u>62,502,448</u>	<u>68,968,473</u>

4. **EMPLOYEES AND DIRECTORS**

	2024 £	2023 £
Wages and salaries	7,487,375	7,576,868
Social security costs	668,182	687,770
Other pension costs	214,431	193,254
	<u>8,369,988</u>	<u>8,457,892</u>

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

	2024	2023
Operational	236	247
Administrative	21	21
Management	19	19
	<u>276</u>	<u>287</u>

	2024 £	2023 £
Directors' remuneration	74,943	73,830
Directors' pension contributions to money purchase schemes	2,248	2,194
	<u></u>	<u></u>

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

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

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

5. OPERATING PROFIT

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

	2024	2023
	£	£
Hire of plant and machinery	108,840	62,865
Other operating leases	843,048	920,097
Depreciation - owned assets	1,149,296	1,251,358
Depreciation - assets on hire purchase contracts	292,535	293,940
Loss/(profit) on disposal of fixed assets	29,795	(2,294)
Software costs amortisation	25,226	88,540
Fees paid to auditors for audit work	19,500	21,000
Fees paid to auditors for other services	2,900	2,750
	<u>2,457,804</u>	<u>1,447,842</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2024	2023
	£	£
Loan interest received	<u>946,582</u>	<u>881,702</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2024	2023
	£	£
Invoice finance charges	755,556	585,961
Recharged loan interest	1,025,931	483,421
Asset loan interest	214,911	-
Interest payable	157,209	109,808
Hire purchase	304,197	268,652
	<u>2,457,804</u>	<u>1,447,842</u>

8. TAXATION

Analysis of the tax charge

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

	2024	2023
	£	£
Current tax:		
Overprovision in the prior year	-	(58,491)
Deferred tax:		
Deferred tax	23,201	403,220
Underprovision in the prior year	(6)	5,505
Total deferred tax	<u>23,195</u>	<u>408,725</u>
Tax on profit	<u>23,195</u>	<u>350,234</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

	2024 £	2023 £
Profit before tax	54,428	2,091,811
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 20.500%)	13,607	428,821
Effects of:		
Expenses not deductible for tax purposes	9,594	10,793
Adjustments to tax charge in respect of previous periods	(6)	(52,987)
Tax rate charges and differentials	-	72,620
Benefits of super deduction	-	(109,013)
Total tax charge	23,195	350,234

9. DIVIDENDS

	2024 £	2023 £
Ordinary shares of £1 each		
Interim	144,000	133,000
A Voting Shares shares of £1 each		
Interim	80,000	75,000
B Non-voting shares shares of £1 each		
Interim	48,000	45,000
	272,000	253,000

10. INTANGIBLE FIXED ASSETS

	Software costs £
COST	
At 1 July 2023 and 30 June 2024	1,239,593
AMORTISATION	
At 1 July 2023	1,185,394
Amortisation for year	25,226
At 30 June 2024	1,210,620
NET BOOK VALUE	
At 30 June 2024	28,973
At 30 June 2023	54,199

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

11. TANGIBLE FIXED ASSETS

	Assets under construction £	Long leasehold £	Plant and machinery £
COST			
At 1 July 2023	5,595,642	1,598,298	17,914,151
Additions	3,141,902	-	115,560
Disposals	(84,630)	-	-
Reclassification/transfer	(48,479)	-	48,479
At 30 June 2024	8,604,435	1,598,298	18,078,190
DEPRECIATION			
At 1 July 2023	-	1,396,083	14,220,144
Charge for year	-	68,079	1,315,959
At 30 June 2024	-	1,464,162	15,536,103
NET BOOK VALUE			
At 30 June 2024	8,604,435	134,136	2,542,087
At 30 June 2023	5,595,642	202,215	3,694,007
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 July 2023	420,864	411,975	25,940,930
Additions	14,551	1,501	3,273,514
Disposals	-	-	(84,630)
Reclassification/transfer	-	-	-
At 30 June 2024	435,415	413,476	29,129,814
DEPRECIATION			
At 1 July 2023	336,660	350,960	16,303,847
Charge for year	30,744	27,049	1,441,831
At 30 June 2024	367,404	378,009	17,745,678
NET BOOK VALUE			
At 30 June 2024	68,011	35,467	11,384,136
At 30 June 2023	84,204	61,015	9,637,083

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

11. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Assets under construction £	Plant and machinery £	Totals £
COST			
At 1 July 2023	1,832,557	2,112,348	3,944,905
Additions	699,881	-	699,881
Disposals	(59,264)	-	(59,264)
At 30 June 2024	2,473,174	2,112,348	4,585,522
DEPRECIATION			
At 1 July 2023	-	965,820	965,820
Charge for year	-	292,535	292,535
At 30 June 2024	-	1,258,355	1,258,355
NET BOOK VALUE			
At 30 June 2024	2,473,174	853,993	3,327,167
At 30 June 2023	1,832,557	1,146,528	2,979,085

12. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 1 July 2023 and 30 June 2024	731,185
PROVISIONS	
At 1 July 2023 and 30 June 2024	731,185
NET BOOK VALUE	
At 30 June 2024	-
At 30 June 2023	-

Unlisted investments relate to Big Screen Production 18 LLP, Big Screen Production 22 LLP and Temin Productions LLP, whereby Greencroft Bottling Company are LLP Members.

13. STOCKS

	2024 £	2023 £
Raw materials	4,084,714	2,596,988
Work-in-progress	56,023	-
	4,140,737	2,596,988

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

14. **DEBTORS**

	2024 £	2023 £
Amounts falling due within one year:		
Trade debtors	14,803,792	12,219,605
Amounts owed by participating interests	4,059,402	4,987,609
Other debtors	6,354	87,365
Directors' current accounts	76,398	76,398
Prepayments and accrued income	766,581	352,759
	<u>19,712,527</u>	<u>17,723,736</u>
Amounts falling due after more than one year:		
Amounts owed by participating interests	<u>13,686,207</u>	<u>14,406,207</u>
Aggregate amounts	<u>33,398,734</u>	<u>32,129,943</u>

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

	2024 £	2023 £
Bank loans and overdrafts (see note 17)	2,630,404	2,685,190
Other loans (see note 17)	3,405,525	-
Hire purchase contracts (see note 18)	625,289	603,795
Trade creditors	8,147,624	6,498,611
Amounts owed to participating interests	29,190	47,491
Corporation tax	(18,956)	-
Taxation and social security	229,762	590,221
Other creditors	40,235	40,134
Accruals and deferred income	370,912	806,413
Invoice finance facility	11,697,761	10,435,026
	<u>27,157,746</u>	<u>21,706,881</u>

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

	2024 £	2023 £
Hire purchase contracts (see note 18)	<u>1,030,277</u>	<u>1,655,603</u>

17. **LOANS**

An analysis of the maturity of loans is given below:

	2024 £	2023 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	35,290
Bank loans	2,630,404	2,649,900
Other loans	3,405,525	-
	<u>6,035,929</u>	<u>2,685,190</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

18. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2024 £	2023 £
Net obligations repayable:		
Within one year	625,289	603,795
Between one and five years	1,030,277	1,655,603
	<u>1,655,566</u>	<u>2,259,398</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	2024 £	2023 £
Other loans	3,405,525	-
Hire purchase contracts	1,655,566	2,259,398
Invoice financing	11,697,761	10,435,026
	<u>16,758,852</u>	<u>12,694,424</u>

Other loans are secured by fixed and floating charges registered 13 July 2023 against all undertakings and property of the company.

Hire purchase contracts are secured over the assets to which they relate.

Invoice financing facility are secured by first fixed charge over book and other debts, chattels and assets of the company.

20. PROVISIONS FOR LIABILITIES

	2024 £	2023 £
Deferred tax	<u>1,083,629</u>	<u>1,060,434</u>
		Deferred tax
		£
Balance at 1 July 2023		1,060,434
Accelerated capital allowances		23,201
Underprovision in the prior year		(6)
Balance at 30 June 2024		<u>1,083,629</u>

Greencroft Bottling Company Limited (Registered number: 04768870)

**Notes to the Financial Statements - continued
for the Year Ended 30 June 2024**

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2024	2023
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	1,590	1,590
			<u>10,577</u>	<u>10,577</u>

22. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 July 2023	19,984,806	200	19,985,006
Profit for the year	31,233		31,233
Dividends	(272,000)		(272,000)
At 30 June 2024	<u>19,744,039</u>	<u>200</u>	<u>19,744,239</u>

Retained earnings includes all current and prior period retained profits and losses less any distributions made.

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 £214,431 (2023: £193,254). Contributions totalling £39,758 (2023: £39,873) 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 £48,541,255 (2023: £43,119,258), of which £18,376,852 (2023: £13,987,243) is recognised as a liability in these financial statements.

25. CAPITAL COMMITMENTS

	2024 £	2023 £
Contracted but not provided for in the financial statements	<u>-</u>	<u>1,510,527</u>

Notes to the Financial Statements - continued
for the Year Ended 30 June 2024

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

The following advances and credits to a director subsisted during the years ended 30 June 2024 and 30 June 2023:

	2024 £	2023 £
M A Satchwell		
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

	2024 £	2023 £
Sales	7,703,231	7,899,668
Purchases	367,163	1,484,922
Management charges	1,784,000	2,230,560
Interest paid/Recharges	2,296,406	450,378
Interest received	946,582	881,702
Amount due from related party	17,745,609	19,395,278
Amount due to related party	<u>29,190</u>	<u>48,725</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.