

Company Registration No. 01595703 (England and Wales)

GLEN TURNER COMPANY LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



GLEN TURNER COMPANY LIMITED

COMPANY INFORMATION

Director	J P Cayard
Company number	01595703
Registered office	2nd Floor Regis House 45 King William Street London United Kingdom EC4R 9AN
Auditor	Azets Audit Services Greytown House 221-227 High Street Orpington Kent United Kingdom BR6 0NZ
Bankers	Barclays Bank PLC 1 Churchill Place London United Kingdom E14 5HP

GLEN TURNER COMPANY LIMITED

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GLEN TURNER COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents the strategic report for the year ended 31 December 2020.

Fair review of the business

The end of year position indicates that the UK businesses (Glen Turner and Glen Moray) are in a strong position to continue their planned expansion into 2021 and subsequent years. The full-year trading results showed strong top-line sales growth (+5.4% versus last year) driven by higher levels of both cased-goods and bulk spirit sales by Glen-Turner. Sales into the EU were boosted by a 'pull-forward' effect in anticipation of new Brexit trading rules in 2021.

Overall gross profit of £31.5M was £1.4M lower than in 2020 due to significantly reduced sales of new-make spirit by Glen Moray. This spirit is being warehoused and matured locally at Glen Moray and will be sold in the future when it is mature. Underlying product margins on cased goods and bulk sales were strong and cash-flow generation was also high in the year (cash-flow increased by £14.2M in the year). Administration costs of £24.0M increased by 2.7% compared to last year and reflect higher payroll costs due to additional headcount, increased energy costs and additional sanitizing costs due to COVID19. Profit before tax was £6.6M, £2.0M below last year and this was due to reduced sales of Glen Moray new-make spirit.

Our growth plans for the business remain on track.

1. In 2020 we purchased two parcels of land adjacent to our existing operations in Bathgate (Northfield and Southfield) to facilitate further expansion of the business. The primary goal of these land purchases will be to expand our warehousing capability.
2. In 2020 we also completed the construction of our new tank farm (bulk blending and bulk storage facility at Bathgate) to support the bulk sales growth strategy.
3. The Cutty Sark premium scotch brand will continue to drive higher export sales and increased volumes for distilling and bottling over the coming years.
4. We continue to invest in wood purchasing (barrels) to ensure 'best in class' mature spirit is available for future years.

Principal risks and uncertainties

The risks and uncertainties facing the group arise from its financial instruments which support its operations. The principal areas of risk are:

1. Interest rate risk

The group has a policy to manage any exposure to interest rate fluctuations which enable it to finance its operations through group retained profits;

2. Liquidity risk

The group had net cash balances as at the balance sheet date;

3. Foreign currency risk

The group has financial instruments which are denominated exclusively in Euro. The gains and losses arising from the group's exposure to its overseas operations are recognised in the profit and loss account.

GLEN TURNER COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties continued

Other areas of risk are:

1. Brexit Risk

There is now an extra level of administration and complexity in relation to trading with the EU since 01.01.2021 (customers clearance and import VAT regulations). We also continue to monitor the overall level of demand from our EU customers for our products which is vital to the success of the business.

a. Potential border tariffs are not seen as a short-term risk due to EUs WTO commitments for MFN (most favoured nations) which the UK will become. However, a degree of risk is present with imported dry goods from the EU, steps have been taken to reduce this risk by utilising UK suppliers for all new products such as the Cutty Sark brand.

b. People are key to the business performance and all staff both FTE and temporary have obtained settled status, also any UK nationals travelling to the EU will only be on short term basis.

c. Regulation and compliance risks are regarded as low due to the industry being already highly regulated as a globally recognised licence-controlled product.

2. Coronavirus risk

We have been able to continue trading as usual without any major impact on our operations throughout the pandemic. We have implemented actions to manage and mitigate any outbreak of infection on-site by introducing temperature checks, social distancing and sanitizing measures. We will continue to observe these measures and follow government guidance in relation to lockdown restrictions. The Holding company is also able to provide strong financial support with large equity, low debt, available cash and product inventory should any short-term support be needed.

The directors have established systems so that the necessary steps can be taken to manage the risks.

Key performance indicators

The key financial indicators include:

	2020	2019	2018	2017
Turnover	£100.9m	£94.1m	£80.5m	£72.6m
Gross Margin	31.2%	34.3%	32.6%	28.6%
No. of staff	136	129	132	127

Forward planning

The company's primary ambition is to grow turnover and maintain profitability at its current level. Our expansion plans are assessed against these objectives and only progressed where additional long-term value will be delivered to the business.

GLEN TURNER COMPANY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Promoting the success of the company

La Martiniquaise-Bardinet group, which Glen Turner company is part of has been positively building a sustainable business for almost 90 years. As a family-owned business it has consistently taken a long-term perspective of its companies, people, and their communities. In accordance with the requirements of UK company law, included in its 2020 Annual Report and Accounts a statement as to how the company's management team supported by the company director have satisfied the matters set out in Section 172 of the Companies Act 2006.

Glen Turner depends upon its highly skilled employees, every employee is encouraged to be engaged through various methods to ensure career aspirations and personal development is mutually agreed and met.

The company's management team are highly engaged with all affairs relating to health and safety and the environment with working groups being formed to provide continual focus of these matters.

The activities of the business leaders and director during the year ended 31st December 2020 include:

- Stakeholder engagement via employee forums and team meetings the company's management team being ever present and engaged at all levels within the company.
- Stakeholder business briefs showing non-financial information and general company performance were given in small groups during 2020 due to Covid restrictions.
- Approval of the investment by the company in the acquisition of additional neighbouring land for future development along with an extensive capital plan.
- Company's management team actions taken by the Crisis Management Team, regarding decision making during the Covid-19 pandemic.
- Review of updates in relation the Health and Safety Report and the impact of Covid-19 on the operations of the company, its suppliers, customers, employees, and workforce

The director and company's management team believe that drive the group company's values and create a positive culture where the best interests of both its employees and business results are fairly balanced.

On behalf of the board

16/08/21

J.P. Cayard
Director



GLEN TURNER COMPANY LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company and group in the year under review was that of the distilling, blending and bottling of whisky.

Results and dividends

The results for the year are set out on page 10.

No ordinary dividends were paid. The director does not recommend payment of a further dividend.

Director

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

J P Cayard

Financial instruments

The group's financial instruments at the balance sheet date comprised cash and liquid resources. The main purpose of these financial instruments is to support the group's operations. The group has various other financial instruments including trade debtors and trade creditors that arise directly from its operations.

It is, and has been throughout the period under review, the group's policy that no trading in financial instruments shall be undertaken.

Auditor

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

On 7 September 2020 Group Audit Services Limited, trading as Wilkins Kennedy Audit Services, changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

Energy and carbon report

The SECR disclosure presents our carbon footprint within the United Kingdom across Scope 1, 2 and to some extent scope 3 emissions, an appropriate intensity metric, the total energy use of electricity, gas and transport fuel and an energy efficiency actions summary taken during the relevant financial year.

GLEN TURNER COMPANY LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<i>Energy consumption</i>		kWh
Aggregate of energy consumption in the year		141,417,990
		<hr/>
<i>Emissions of CO2 equivalent</i>		
	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	24,509.00	
- Fuel consumed for owned transport	6.00	
	<hr/>	24,515.00
Scope 2 - indirect emissions		
- Electricity purchased		1,891.00
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		6.00
		<hr/>
Total gross emissions		26,412.00
		<hr/>
<i>Intensity ratio</i>		
Tonnes CO2e per thousand litres produced		1.228776
		<hr/>

Quantification and reporting methodology

The group has followed the HM Government Environmental Reporting Guidelines. GHG Emissions reporting are in line with the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard

Intensity measurement

Following the recommendations of the SECR legislation and based on the nature of our business, 'Emissions per litres of alcohol produced' (tCO2e / '000 litres produced) gives the best overview on our efficiency performance on a longer scale.

Measures taken to improve energy efficiency

Glen Turner Company Limited continues to achieve direct savings in energy and associated carbon emissions, through operational and technological improvements, including;

- An overall reduction in steam usage was achieved through improved engineering practices and installation of new process step at the distillery.
- Introduction of new jet cooker and new flash vessel in mashing unit operation to reduce steam usage (gas).
- Strategic changed direction of business to stipulate only LED lighting to be installed, including new tank farm and roll out of warehouse lighting replacement programme with at least 3 units a year.

Additional indirect energy and carbon emission savings have also been achieved through a range of measures, including;

- Implemented a new enterprise-level software application which provides us quality assurance and data capture capabilities into one energy and carbon management solution. This provides us audited and verified data on our GHG emissions.
- Meeting the requirements of the UK Government's Streamlined Energy and Carbon Reporting scheme.

GLEN TURNER COMPANY LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board


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J P Cayart
Director

Date: 16/08/2021

GLEN TURNER COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GLEN TURNER COMPANY LIMITED

Opinion

We have audited the financial statements of Glen Turner Company Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 group's and parent 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 director with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

GLEN TURNER COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLEN TURNER COMPANY LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 director

As explained more fully in the director's responsibilities statement, the director is 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 director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the parent 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

GLEN TURNER COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GLEN TURNER COMPANY LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

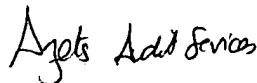
In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

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



Catherine Cooper (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

25/08/21
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Chartered Accountants
Statutory Auditor

Greytown House
221-227 High Street
Orpington
Kent
United Kingdom
BR6 0NZ

GLEN TURNER COMPANY LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£'000	as restated £'000
Turnover	3	100,896	95,724
Cost of sales		(69,437)	(62,895)
Gross profit		31,459	32,829
Administrative expenses		(24,726)	(24,066)
Other operating income		34	-
Operating profit	4	6,767	8,763
Interest receivable and similar income	7	2	23
Interest payable and similar expenses	8	(130)	(98)
Profit before taxation		6,639	8,688
Tax on profit	9	(2,893)	(1,822)
Profit for the financial year	21	3,746	6,866

Profit for the financial year is all attributable to the owners of the parent company.

GLEN TURNER COMPANY LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	£'000	as restated £'000
Profit for the year	3,746	6,866
Other comprehensive income		
Revaluation of tangible fixed assets	(141)	(138)
Total comprehensive income for the year	<u>3,605</u>	<u>6,728</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

GLEN TURNER COMPANY LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Intangible assets	10		46,458		62,184
Tangible assets	11		89,832		91,805
Investments	12		71,872		58,511
			<u>208,162</u>		<u>212,500</u>
Current assets					
Stocks	13	148,448		153,551	
Debtors	14	18,656		22,057	
Cash at bank and in hand		19,591		5,353	
		<u>186,695</u>		<u>180,961</u>	
Creditors: amounts falling due within one year	15	(22,386)		(25,804)	
Net current assets			<u>164,309</u>		<u>155,157</u>
Total assets less current liabilities			<u>372,471</u>		<u>367,657</u>
Provisions for liabilities					
Deferred tax liability	16	5,752		4,543	
		<u>(5,752)</u>		<u>(4,543)</u>	
Net assets			<u>366,719</u>		<u>363,114</u>
Capital and reserves					
Called up share capital	18		203,016		203,016
Share premium account	19		91,984		91,984
Revaluation reserve	20		1,831		1,972
Profit and loss reserves	21		69,888		66,142
Total equity			<u>366,719</u>		<u>363,114</u>

The financial statements were approved and signed by the director and authorised for issue on 16/08/21

J P Cayard
Director

GLEN TURNER COMPANY LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	10	46,458	62,184
Tangible assets	11	67,748	69,701
Investments	12	121,882	108,521
		<u>236,088</u>	<u>240,406</u>
Current assets			
Stocks	13	115,688	122,687
Debtors	14	17,342	21,032
Cash at bank and in hand		19,453	5,259
		<u>152,483</u>	<u>148,978</u>
Creditors: amounts falling due within one year	15	(35,949)	(39,212)
Net current assets		<u>116,534</u>	<u>109,766</u>
Total assets less current liabilities		<u>352,622</u>	<u>350,172</u>
Provisions for liabilities			
Deferred tax liability	16	4,973	3,953
		<u>(4,973)</u>	<u>(3,953)</u>
Net assets		<u><u>347,649</u></u>	<u><u>346,219</u></u>
Capital and reserves			
Called up share capital	18	203,016	203,016
Share premium account	19	91,984	91,984
Profit and loss reserves	21	52,649	51,219
Total equity		<u><u>347,649</u></u>	<u><u>346,219</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,429,965 (2019 - £1,864,606 profit).

16/08/21

The financial statements were approved and signed by the director and authorised for issue on

J P Cayard
Director

Company Registration No. 01595703

GLEN TURNER COMPANY LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £'000	Share premium account £'000	Revaluation reserve £'000	Profit and loss reserves £'000	Total £'000
As restated for the period ended 31 December 2019:					
Balance at 1 January 2019	203,016	91,984	2,110	59,276	356,386
Year ended 31 December 2019:					
Profit for the year	-	-	-	6,866	6,866
Other comprehensive income:					
Revaluation of tangible fixed assets	-	-	(138)	-	(138)
Total comprehensive income for the year	-	-	(138)	6,866	6,728
Balance at 31 December 2019	203,016	91,984	1,972	66,142	363,114
Year ended 31 December 2020:					
Profit for the year	-	-	-	3,746	3,746
Other comprehensive income:					
Revaluation of tangible fixed assets	-	-	(141)	-	(141)
Total comprehensive income for the year	-	-	(141)	3,746	3,605
Balance at 31 December 2020	203,016	91,984	1,831	69,888	366,719

GLEN TURNER COMPANY LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2019	203,016	91,984	49,355	344,355
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	1,864	1,864
Balance at 31 December 2019	203,016	91,984	51,219	346,219
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	1,430	1,430
Balance at 31 December 2020	203,016	91,984	52,649	347,649

GLEN TURNER COMPANY LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	26		36,908		9,547
Interest paid			(130)		(98)
Income taxes paid			(2,207)		(3,223)
Net cash inflow from operating activities			34,571		6,226
Investing activities					
Purchase of tangible fixed assets		(6,974)		(7,618)	
Proceeds on disposal of tangible fixed assets		-		11	
Purchase of shares in holding company		-		(1,053)	
Proceeds on disposal of subsidiaries		(13,361)		-	
Interest received		2		23	
Net cash used in investing activities			(20,333)		(8,637)
Net increase/(decrease) in cash and cash equivalents			14,238		(2,411)
Cash and cash equivalents at beginning of year			5,353		7,764
Cash and cash equivalents at end of year			19,591		5,353

GLEN TURNER COMPANY LIMITED

COMPANY STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£'000	£'000
Cash flows from operating activities			
Cash generated from operations	27	33,992	5,607
Interest paid		(572)	(408)
Income taxes paid		(980)	(2,163)
Net cash inflow from operating activities		32,440	3,036
Investing activities			
Purchase of tangible fixed assets		(4,887)	(4,377)
Purchase of shares in holding company		(13,361)	(1,053)
Interest received		2	22
Net cash used in investing activities		(18,246)	(5,408)
Net increase/(decrease) in cash and cash equivalents		14,194	(2,372)
Cash and cash equivalents at beginning of year		5,259	7,631
Cash and cash equivalents at end of year		19,453	5,259

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Glen Turner Company Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 2nd Floor Regis House, 45 King William Street, London, United Kingdom, EC4R 9AN.

The group consists of Glen Turner Company Limited and all of its subsidiaries.

1.1 Accounting convention

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

The financial statements are prepared in Great British pounds sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1.3 Basis of consolidation

The consolidated financial statements incorporate those of Glen Turner Company Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Going concern

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

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered. This is usually at the point that the customer has signed for delivery of the good.

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Trademark

5 years

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.8 Tangible fixed assets

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

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

Freehold land and buildings	4% on cost
Plant and equipment	between 5 and 15 years
Fixtures and fittings	20% to 25 % on cost
Computers	33% on cost

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

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.14 Equity instruments

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

1.15 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.18 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.19 Government grants

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

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

1.20 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Tangible fixed assets

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Trademarks

Trademarks are amortised over their useful lives taking into account residual values, where appropriate. The actual life of the asset and residual value are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Stock valuation

Stocks of raw materials and finished goods are valued at the lower of cost and the estimated selling price less costs to sell. In assessing the value of the company's stock, consideration is given to any impairment in its value as a result of any stock which is likely to have become obsolete or which has an estimated selling price less than its cost price.

In assessing the value of work in progress, consideration is given to the stage of completion and the proportion of overheads included in the valuation and adjustments are made for any impairment which arises as a result of these factors.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

	2020 £'000	2019 £'000
Other significant revenue		
Interest income	2	23
Grants received	34	-

	2020 £'000	2019 £'000
Turnover analysed by geographical market		
UK	28,569	25,588
Europe	68,276	64,280
South America	1,115	1,646
Asia	2,936	2,621
	100,896	94,135

4 Operating profit

	2020 £'000	2019 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	1,295	(353)
Government grants	(34)	-
Depreciation of owned tangible fixed assets	8,806	8,620
Profit on disposal of tangible fixed assets	-	(11)
Amortisation of intangible assets	15,726	15,727
Operating lease charges	14	48

5 Auditor's remuneration

	2020 £'000	2019 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	24	24
Audit of the financial statements of the company's subsidiaries	23	22
	47	46
For other services		
Taxation compliance services	10	6
Other taxation services	-	7
All other non-audit services	43	33
	53	46

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

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

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Administration	14	20	14	20
Production	106	93	93	82
Distribution	6	4	6	4
Visitors centre	6	7	-	-
Warehouse	4	5	-	-
Total	<u>136</u>	<u>129</u>	<u>113</u>	<u>106</u>

Their aggregate remuneration comprised:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Wages and salaries	4,833	4,526	4,081	3,728
Social security costs	492	463	428	394
Pension costs	422	314	382	278
	<u>5,747</u>	<u>5,303</u>	<u>4,891</u>	<u>4,400</u>

7 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income		
Interest on bank deposits	<u>2</u>	<u>23</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>2</u>	<u>23</u>
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The company received interest on deposits of £2k (2019: £23k)

8 Interest payable and similar expenses

	2020 £'000	2019 £'000
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	<u>130</u>	<u>98</u>

The company paid interest to group undertakings of £572k (2019: £408k)

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the current period	1,585	1,757
Adjustments in respect of prior periods	99	-
Total current tax	<u>1,684</u>	<u>1,757</u>
Deferred tax		
Origination and reversal of timing differences	<u>1,209</u>	<u>65</u>
Total tax charge	<u>2,893</u>	<u>1,822</u>

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

	2020 £'000	2019 £'000
Profit before taxation	<u>6,639</u>	<u>8,688</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	1,261	1,651
Tax effect of expenses that are not deductible in determining taxable profit	11	5
Adjustments in respect of prior years	134	-
Depreciation in excess of capital allowances	278	101
Movement in deferred tax	<u>1,209</u>	<u>65</u>
Taxation charge	<u>2,893</u>	<u>1,822</u>

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

10 Intangible fixed assets

Group	Goodwill £'000	Trademark £'000	Total £'000
Cost			
At 1 January 2020 and 31 December 2020	2,500	78,651	81,151
Amortisation and impairment			
At 1 January 2020	2,500	16,467	18,967
Amortisation charged for the year	-	15,726	15,726
At 31 December 2020	2,500	32,193	34,693
Carrying amount			
At 31 December 2020	-	46,458	46,458
At 31 December 2019	-	62,184	62,184
Company		Trademark £'000	
Cost			
At 1 January 2020 and 31 December 2020		78,651	
Amortisation and impairment			
At 1 January 2020		16,467	
Amortisation charged for the year		15,726	
At 31 December 2020		32,193	
Carrying amount			
At 31 December 2020		46,458	
At 31 December 2019		62,184	

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

Group	Freehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost or valuation					
At 1 January 2020	96,879	85,575	75	639	183,168
Additions	1,871	4,874	-	229	6,974
At 31 December 2020	98,750	90,449	75	868	190,142
Depreciation and impairment					
At 1 January 2020	41,989	48,809	64	501	91,363
Depreciation charged in the year	4,303	4,405	4	94	8,806
Revaluation	141	-	-	-	141
At 31 December 2020	46,433	53,214	68	595	100,310
Carrying amount					
At 31 December 2020	52,317	37,235	7	273	89,832
At 31 December 2019	54,890	36,766	11	138	91,805
Company	Freehold land and buildings £'000	Plant and equipment £'000	Fixtures and fittings £'000	Computers £'000	Total £'000
Cost or valuation					
At 1 January 2020	80,349	68,444	73	533	149,399
Additions	1,800	2,955	-	132	4,887
At 31 December 2020	82,149	71,399	73	665	154,286
Depreciation and impairment					
At 1 January 2020	37,503	41,722	64	409	79,698
Depreciation charged in the year	3,836	2,928	4	72	6,840
At 31 December 2020	41,339	44,650	68	481	86,538
Carrying amount					
At 31 December 2020	40,810	26,749	5	184	67,748
At 31 December 2019	42,846	26,722	9	124	69,701

Independent valuations of freehold land and buildings were made as at December 2008, by James Barr, Chartered Surveyors, on a depreciated replacement cost of £8,150,000. The valuation was prepared in accordance with the RICS valuation standards and was adopted as historic cost under FRS102. The directors have reviewed the value of the land and buildings in the year and have confirmed they do not believe the value has changed.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

(Continued)

If revalued assets were stated on an historical basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Cost	5,038	5,038	-	-
Accumulated depreciation	(2,631)	(2,446)	-	-
	<u>2,407</u>	<u>2,592</u>	<u>-</u>	<u>-</u>

Included in cost of land and buildings is freehold land of £3,981k (2019 - £2,911k) which is not depreciated.

12 Fixed asset investments

	Notes	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Investments in subsidiaries		<u>71,872</u>	<u>58,511</u>	<u>121,882</u>	<u>108,521</u>

During the year the company purchased a further 3,110 (2019: 210) ordinary shares at par in Compagnie Financiere Europeene de Prises de Participation SA (COFEPP), the company's parent company. The company holds 16% of the shares in COFEPP.

Movements in fixed asset investments

Group	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2020	58,511
Additions	13,361
At 31 December 2020	<u>71,872</u>
Carrying amount	
At 31 December 2020	<u>71,872</u>
At 31 December 2019	<u>58,511</u>

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Fixed asset investments

(Continued)

Movements in fixed asset investments Company

Shares in
group
undertakings
£'000

Cost or valuation

At 1 January 2020

108,521

Additions

13,361

At 31 December 2020

121,882

Carrying amount

At 31 December 2020

121,882

At 31 December 2019

108,521

13 Stocks

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Raw materials and consumables	113,668	120,941	113,560	120,811
Finished goods and goods for resale	34,780	32,610	2,128	1,876
	<u>148,448</u>	<u>153,551</u>	<u>115,688</u>	<u>122,687</u>

An impairment loss of £nil (2019: £nil) was recognised against stock.

Stock recognised in cost of sales during the year was £47,214k (2019: £71,942k)

14 Debtors

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Amounts falling due within one year:				
Trade debtors	16,683	19,773	15,565	19,053
Corporation tax recoverable	126	132	116	132
Other debtors	1,439	1,793	1,307	1,542
Prepayments and accrued income	408	359	354	305
	<u>18,656</u>	<u>22,057</u>	<u>17,342</u>	<u>21,032</u>

An impairment loss of £nil (2019: £nil) was recognised against trade debtors.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Creditors: amounts falling due within one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	6,766	7,764	5,691	5,880
Amounts owed to group undertakings	-	-	14,800	16,019
Corporation tax payable	-	529	-	-
Other taxation and social security	138	131	121	113
Other creditors	14,321	14,845	14,283	14,784
Accruals and deferred income	1,161	2,535	1,054	2,416
	<u>22,386</u>	<u>25,804</u>	<u>35,949</u>	<u>39,212</u>

16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	2020	2019
	£'000	£'000
Group		
Accelerated capital allowances	<u>5,752</u>	<u>4,543</u>
	Liabilities	Liabilities
	2020	2019
	£'000	£'000
Company		
Accelerated capital allowances	<u>4,973</u>	<u>3,953</u>
	Group	Company
	2020	2020
	£'000	£'000
Movements in the year:		
Liability at 1 January 2020	4,543	4,478
Charge to profit or loss	1,209	65
	<u>5,752</u>	<u>4,543</u>
Liability at 31 December 2020		

The deferred tax liability set out above (calculated at 19% (2019: 17%)) is expected to reverse over the life of the asset and relates to accelerated capital allowances that are expected to mature within the same period.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Retirement benefit schemes

	2020	2019
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	422	314

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

18 Share capital

	2020	2019	2020	2019
	Number	Number	£'000	£'000
Ordinary share capital Issued and fully paid Ordinary of £1 each	203,016,000	203,016,000	203,016	203,016

19 Share premium account

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
At the beginning and end of the year	91,984	91,984	91,984	91,984

20 Revaluation reserve

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
At the beginning of the year	1,972	2,110	-	-
Revaluation surplus arising in the year	(141)	(138)	-	-
At the end of the year	1,831	1,972	-	-

21 Profit and loss reserves

	Group		Company	
	2020	2019	2020	2019
	£'000	as restated £'000	£'000	£'000
At the beginning of the year	66,142	59,276	51,219	49,355
Profit for the year	3,746	6,866	1,430	1,864
At the end of the year	69,888	66,142	52,649	51,219

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Acquisition of tangible fixed assets	322	2,200	322	2,200

The commitment is in respect of New Line 3 Labeller (2019: Tank Farm 4) as at 31 December 2020.

23 Operating lease commitments

Lessee

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

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Within one year	65	48	64	44
Between two and five years	62	62	62	61
	127	110	126	105

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £'000	2019 £'000
Aggregate compensation	944	679

All senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel.

Glen Turner Company Limited

Transactions with Group Companies

At the balance sheet date, included in trade creditors, the company owed £38,004 (2019: £176,207) to its ultimate holding company, Compagnie Financière Européenne de Prises de Participation SA (COFEPP). Included within accruals is an amount of £77,531 (2019: £95,510) due to COFEPP. Included within other creditors is an amount of £6,909,560 (2019: £14,678,243) due to COFEPP by means of a bank pooling compensation account arrangement.

At the balance sheet date the company owed COFEPP £nil (2019: £5,615) in respect of bank interest payable. During the year the company also made purchases from COFEPP amounting to £683,166 (2019: £281,014).

During the year the company made sales amounting to £36,143,293 (2019: £30,458,713) to a fellow subsidiary, SVS La Martiniquaise SAS and included within trade debtors is an amount of £4,310,260 (2019: £6,572,798) due from SVS La Martiniquaise SAS.

During the year the company also made purchases from SVS La Martiniquaise SAS amounting to £1,179,600 (2019: £1,136,162) and included within trade creditors is an amount of £87,345 (2019: £426,882) due to SVS La Martiniquaise SAS.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Related party transactions

(Continued)

Transactions with related parties

During the year the company made sales amounting to £15,683,527 (2019: £15,409,147) to a fellow subsidiary, Bardinet SAS and included in trade debtors is an amount of £2,256,985 (2019: £2,503,285) due from Bardinet SAS.

During the year the company also made purchases amounting to £375,008 (2019: £138,415) from Bardinet SAS and included within trade creditors is an amount of £141,735 (2019: £77) due to Bardinet SAS. Included within other creditors is £3,806 (2019: £nil) and accruals is an amount of £47,542 (2019: £nil) due to Bardinet SAS.

During the year the company made sales amounting to £6,042,470 (2019: £7,400,579) to a fellow subsidiary, Bardinet SA and included in trade debtors is an amount of £1,238,807 (2019: £2,248,211) due from Bardinet SA.

During the year the company made sales amounting to £1,721,574 (2019: £2,461,107) to a fellow subsidiary, Slaur Sardet SAS and included in trade debtors is an amount of £351,493 (2019: £465,023) due from Slaur Sardet SAS.

During the year the company made sales amounting to £576,662 (2019: £613,380) to a fellow subsidiary, Dilmoor S.p.A. and included in trade debtors is an amount of £130,702 (2019: £108,637) due from Dilmoor S.p.A.

During the year the company also made purchases amounting to £780 (2019: £1,098) to a fellow subsidiary, Dilmoor S.p.A.

During the year the company made sales amounting to £2,346,510 (2019: £1,239,881) to a fellow subsidiary, Fauconnier SAS and included in trade debtors is an amount of £525,099 (2019: £328,347) due from Fauconnier SAS.

During the year, the company made sales amounting to £2,073,453 (2019: £1,695,959) to a fellow subsidiary, N.V. ETN P. Bruggeman and included in trade debtors is an amount of £445,406 (2019: £618,219) due from N.V. ETN P. Bruggeman.

During the year, the company made purchases of £202 (2019: £1,379) from a fellow subsidiary, Société d'Entrepôts et de Distribution de Marchandises Alimentaires SAS (SEDMA).

During the year, the company made sales amounting to £1,328,250 (2019: £2,021,098) to a fellow subsidiary, Companhia Uniao dos Vinhos do Porto e Madeira Lda and included in trade debtors is an amount of £nil (2019: £75,229) due from Companhia Uniao dos Vinhos do Porto e Madeira Lda.

During the year, the company made purchases of £2,931 (2019: £4,314) from a fellow subsidiary, Companhia Uniao dos Vinhos do Porto e Madeira Lda.

During the year, the company made sales amounting to £2,307,847 (2019: £nil) to a fellow subsidiary, Marie Brizard Wine & Spirits and included in trade debtors is an amount of £139,207 (2019: £nil) due from Marie Brizard Wine & Spirits.

During the year, the company made sales amounting to £52,221 (2019: £nil) to a fellow subsidiary, Cherry Rocher.

During the year, the company made purchases amounting to £6,042 (2019: £nil) to a fellow subsidiary, Ducastaing.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Related party transactions

(Continued)

Glen Moray Distillery Limited

Transactions with Group Companies

During the year the company made purchases amounting to £19,810 (2019: £5,437) from Compagnie Financière Européenne de Prises de Participation (COFEPP), the ultimate parent company and included within accruals is an amount of £11,531 (2019: £547) due from COFEPP.

During the year the company made purchases amounting to £nil (2019: £2,698) from a fellow subsidiary, SVS La Martiniquaise SAS and included within trade creditors £nil (2019: £2,744) due to SVS La Martiniquaise SAS.

During the year the company made sales amounting to £393 (2019: £5,832) to a fellow subsidiary, Bardinet SAS. Included within trade debtors is an amount of £nil (2019: £2,269) due from Bardinet SAS.

During the year the company made purchases amounting to £404,277 (2019: £379,586) from a fellow subsidiary, Quinta de Ventozelo and included in trade creditors is an amount of £205,999 (2019: £35,312) due to Quinta de Ventozelo.

During the year the company made purchases amounting to £77,719 (2019: £nil) from a fellow subsidiary, Henriques and Henriques SA. No amounts were outstanding at year end.

25 Controlling party

The company is a wholly owned subsidiary of Compagnie Financière Européenne de Prises de Participation SA, a company registered in France. Throughout the year the company was under the control of Jean Pierre Cayard a majority shareholder of Compagnie Financière Européenne de Prises de Participation SA.

Glen Turner Company Limited and its subsidiaries are included in the consolidated accounts of Compagnie Financière Européenne de Prises de Participation SA.

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

26 Cash generated from group operations

	2020 £'000	2019 £'000
Profit for the year after tax	3,746	6,866
Adjustments for:		
Taxation charged	2,893	1,822
Finance costs	130	98
Investment income	(2)	(23)
Gain on disposal of tangible fixed assets	-	(11)
Amortisation and impairment of intangible assets	15,726	15,727
Depreciation and impairment of tangible fixed assets	8,806	8,620
Movements in working capital:		
Decrease/(increase) in stocks	5,103	(6,186)
Decrease/(increase) in debtors	3,395	(5,159)
Decrease in creditors	(2,889)	(12,207)
Cash generated from operations	<u>36,908</u>	<u>9,547</u>

27 Cash generated from operations - company

	2020 £'000	2019 £'000
Profit for the year after tax	1,430	1,864
Adjustments for:		
Taxation charged	2,016	599
Finance costs	572	408
Investment income	(2)	(22)
Amortisation and impairment of intangible assets	15,726	15,727
Depreciation and impairment of tangible fixed assets	6,840	7,012
Movements in working capital:		
Decrease/(increase) in stocks	6,999	(10,881)
Decrease/(increase) in debtors	3,674	(4,702)
Decrease in creditors	(3,263)	(4,398)
Cash generated from operations	<u>33,992</u>	<u>5,607</u>

28 Analysis of changes in net funds - group

	1 January 2020 £'000	Cash flows £'000	31 December 2020 £'000
Cash at bank and in hand	<u>5,353</u>	<u>14,238</u>	<u>19,591</u>

GLEN TURNER COMPANY LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

29 Analysis of changes in net funds - company

1 January 2020 £'000	Cash flows £'000	31 December 2020 £'000
5,259	14,194	19,453

30 Prior period adjustment

Reconciliation of changes in equity - group

1 January 2019 £'000	31 December 2019 £'000
Adjustments to prior year	
Over provision of depreciation	310
Equity as previously reported	362,804
Equity as adjusted	363,114

Reconciliation of changes in profit for the previous financial period

	2019 £'000
Adjustments to prior year	
Over provision of depreciation	310
Profit as previously reported	6,556
Profit as adjusted	6,866

Reconciliation of changes in equity - company

1 January 2019 £'000	31 December 2019 £'000
Adjustments to prior year	
Total adjustments	-
Equity as previously reported	346,219
Equity as adjusted	346,219

Reconciliation of changes in profit for the previous financial period

	2019 £'000
Adjustments to prior year	
Total adjustments	-
Profit as previously reported	1,864
Profit as adjusted	1,864