

22 October 2025



("Virgin Wines", the "Company" or the "Group")

### Audited Annual Results

#### *Encouraging progress against all growth drivers and profitability ahead of expectations*

Virgin Wines UK plc (AIM: VINO), one of the UK's largest direct-to-consumer online wine retailers, announces its audited Annual Results for the year ended 28 June 2025 ("FY25" or the "Period").

#### Financial highlights

- Total revenue in-line with last year at £59 million (FY24: £59 million) despite the broader online drinks market contracting during the Period
- Profitability ahead of expectations<sup>(1)</sup> notwithstanding the investments in our growth strategy
  - Adjusted EBITDA to £2.3 million (FY24: £2.8 million)
  - PBT decreased by £0.1m to £1.6m (FY24: 1.7m)
- Gross product margins remained resilient at 35.6% (FY24: 37.6%), despite inflationary pressures and higher operating costs amidst a rise in alcohol duty, glass and packaging prices as well as the introduction of a new sustainability tax (EPR)
- The balance sheet remains strong, with net cash of £9.3m<sup>(2)</sup> (FY24: £10.3 million), gross cash of £17.6m (FY24: £18.4m), whilst remaining debt free
  - The year-end cash balance is stated after the repurchase of £2m of shares and £1.6m of cash utilised to pre-pay duty, hence the business is cash generative year-on-year
  - This positions the Company well as it increases investments in organic growth in line with its growth strategy

Results summary	FY25	FY24
	£'m	£'m
Revenue	59.0	59.0
Gross profit	17.8	18.8
Gross profit %	30.1%	31.9%
<b>EBITDA pre share based payments</b>	<b>2.3</b>	<b>2.8</b>
<b>Profit/before tax</b>	<b>1.6</b>	<b>1.7</b>
Diluted earnings per share	2.3	2.4
<b>Net assets</b>	<b>22.6</b>	<b>23.3</b>
<b>Cash and cash equivalents</b>	<b>17.6</b>	<b>18.4</b>
<b>Net cash and cash equivalents</b>	<b>9.3</b>	<b>10.3</b>

<sup>(1)</sup> Consensus forecasts for FY25 profitability were Underlying EBITDA of £2.2m and Underlying PBT of £1.3m

<sup>(2)</sup> Net cash refers to total cash less ring-fenced WineBank deposits

## Strategic highlights

- During the year, Virgin Wines announced its medium-term growth strategy, targeting £100m of annual revenue at a 7% EBITDA margin
- **Disciplined approach to customer acquisition**
  - 28% increase in customers acquired year-on-year with only a 6% increase in investment
  - New customer conversion rates remained strong at well above 40% despite higher volumes
  - Cost per acquisition of £16.40 (FY24: £16.66)
  - Payback of +4.5 times over five years ensures high lifetime value and favourable returns
- **Continued strong growth in Commercial partnerships**
  - Our growing Commercial partnerships channel delivered a revenue increase of 24% year-on-year (FY24: 5% YOY revenue growth)
  - New partnership with Ocado is performing strongly as well as the extension of our partnership with Moonpig
  - Travel partnerships extended with LNER, Avanti and GWR and new opportunities with WH Smith travel locations
  - Independent recognition at The Drinks Business Awards 2025
- **Investing in Warehouse Wines**
  - Warehouse Wines, our new value proposition, delivered its first full year of trading with £1.8m in revenue, a commendable achievement and representing growth of 484% year-on-year
  - The Company sees an exciting opportunity in Warehouse Wines to enable it to target a broader range of potential customers while utilising its existing infrastructure and systems
- **Technology and operational excellence**
  - Warehouse Management System continues to deliver efficiency gains with a 3% reduction in pick-and-pack cost per case
  - Customer service department delivered savings of 17% year-on-year driven by greater accuracy and faster despatch
  - Encouraging progress in the development of a mobile app, which remains on track for release in H2 2026
  - Currently undertaking an internal review to identify how technology and AI can enhance systems and operations, supporting the ongoing focus on efficiency and excellence.

## Current trading and outlook

- Trading remains in line with market expectations so far in FY26, and we continue to make progress across all pillars of the growth strategy. This includes growth in Q1 2026 of:
  - 29% increase in customer acquisition year-on-year
  - Strong growth within the commercial channel in line with expectations
  - Warehouse Wines trading strongly with a 134% rise in revenue growth
- Despite inflationary pressures, rising duties and new regulatory costs, the Company's resilient model, loyal customers and exciting medium-term strategy positions it well to deliver meaningful growth
- The Board are pleased with the progress made against the four key pillars of the growth strategy and are confident this will deliver long-term sustainable growth

## Jay Wright, Chief Executive Officer, commented:

*"FY25 was a milestone year for Virgin Wines, being both our 25<sup>th</sup> anniversary but also the year in which we announced our medium-term growth strategy, a step-change for the business as we significantly increase our investments in organic growth opportunities. During the year, we delivered a resilient performance, with revenue in-line with the prior year against a market that contracted and with profits being ahead of expectations, despite a challenging consumer backdrop and significant cost pressures.*

*We saw strong growth in customer acquisition driven by our team's commitment to innovation and underpinned by our disciplined approach. The commercial channel continues to deliver robust growth, supported by our expanded partnerships with Moonpig, Ocado and key travel operators, while our new value proposition, Warehouse Wines, has made a strong start in its first full year of trading, acquiring customers who demand great quality at outstanding value. The development of our mobile app remains on schedule, and we are excited to launch this in H2 2026, while we continue to assess how we can utilise technology to drive efficiencies and ensure we remain the lowest cost to serve in the sector.*

*Looking ahead, having launched our new growth strategy, we remain confident we are well-positioned to deliver against our medium-term targets. With a resilient and loyal customer base, a growing range of appealing propositions, and exciting initiatives such as the launch of our mobile app, we remain confident in meeting market expectations for FY26.*

- Ends -

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**Notes to editors:**

**About Virgin Wines**

Virgin Wines is one of the UK's largest direct-to-consumer online wine retailers. It is an award-winning business which has a reputation for supplying and curating high quality products, excellent levels of customer service and innovative ways of retailing.

The Company was established in 2000 by the Virgin Group and was subsequently acquired by Direct Wines in 2005 before being bought out by the Virgin Wines management team, led by CEO Jay Wright and former CFO Graeme Weir, in 2013. It listed on the London Stock Exchange's Alternative Investment Market (AIM) in 2021. Virgin Wines is headquartered in Norwich, with two fully bonded national distribution centres in Preston and Bolton. It stocks over 650 wines sourced from more than 40 trusted winemaking partners and suppliers around the world which it sells to a large active customer base of over 145k, the majority of whom are on one of the Group's subscription schemes.

The Company drives the majority of its revenue through its WineBank subscription scheme, using a variety of marketing channels, as well as through its Wine Advisor team, Wine Plan channel and Pay As You Go service.

The Company also has a fast-growing Commercial division, as well as having recently launched Warehouse Wines, its DTC value proposition in 2024.

Along with its extensive range of award-winning products, Virgin Wines was delighted that its flagship WineBank service was awarded 'Wine Club of the Year' at the 2024 IWC Awards, as well as being voted by UK consumers as Online Retailer of the Year for 2025 at the People's Choice Awards. In addition, in 2023 the Group's Buying Director, Sophie Lord, was named Buyer of the Year by Decanter magazine.

<https://www.virginwinesplc.co.uk/>

## **Chairman's Statement**

### **Overview**

During the year, Virgin Wines made considerable strategic progress which will position the Business better for the long-term. In March, we announced our medium-term growth strategy, representing our intentions to deliver meaningful growth.

From a trading perspective, the team delivered a robust performance amid a challenging market backdrop and considerable pressure on the wine sector, with duty increases and an ever-increasingly complex operating environment. This was compounded by the higher National Insurance contributions and National Living Wage, both of which are impacting businesses across all industries.

The impact of these headwinds reinforces the resilience of our performance, with our position as the lowest cost to serve operator in the sector and our open source buying model enabling us to maintain margins and maximise product quality.

With an encouraging outturn for the year, I wish to thank the entire Virgin Wines team for their continued hard work, positivity and innovative approach, and to our partners and customers for their ongoing support.

### **Performance**

During the year, we were pleased to deliver revenue in line with last year at £59m against a subdued market backdrop and during a period where the broader online wine, beer and spirits sector declined by almost 10%. This points to considerable market share gains during the year.

Despite revenue being in line year-on-year, we were pleased to deliver a bottom line performance ahead of market expectations, with adjusted EBITDA of £2.3m and PBT of £1.6m, despite investments made in-line with our growth strategy. This reflects the strength of our proposition, maintaining a disciplined approach to customer acquisition and leveraging the benefits of our multi-channel approach.

We acquired 28% more customers than the prior year at just a 6% increase in related costs. This is a testament to the increase in efficiency of our marketing investments and the underlying strength of the product, service and overall brand. We also achieved excellent growth in our Commercial channel, where sales increased 24% year-on-year, and Warehouse Wines, our value proposition, yielding a commendable £1.8m of revenue in its first full year of trading.

### **Growth strategy**

As mentioned, in March 2025, we unveiled our medium-term growth strategy, which now underpins our next chapter of growth. The underlying business is performing well, particularly against a challenging market backdrop, but the strategy will see us increase investments in our operations and strengthen our organic growth.

Built on four key pillars, the strategy focuses on areas within the Business where the team has excelled despite limited investments, such as driving customer acquisition, growing our Commercial partnerships and accelerating Warehouse Wines, which has produced an encouraging early performance.

As well as significantly scaling up our investments in these areas, we will enhance our application of technology to enable us to engage more frequently and effectively with existing customers whilst diversifying how we acquire new customers and create incremental revenue streams. As an example of this, we are making great progress in the development of a mobile app, due to be launched in early 2026, and are investigating potential applications for AI to streamline processes and increase efficiency.

The Board is confident that this is the right strategy to deliver the next phase of growth and will provide value for all of Virgin Wines' stakeholders. Within five years, we believe Virgin Wines will reach

£100m in annual revenue at an adjusted EBITDA margin of 7%.

Alongside this, we initiated a share buyback programme, where in FY25 we purchased 7.3% of shares to return value to shareholders. While we also continue to assess potential M&A opportunities and introducing a dividend policy, at present the Board believes that the best use of our capital is investing within our growth strategy.

### **Board changes**

Graeme Weir stepped down as Chief Financial Officer after 22 years in the role. He has been succeeded by Amanda Cherry, who has worked at Virgin Wines for 16 years. On behalf of all our colleagues, Jay Wright and I would like to thank

Graeme and recognise his significant contribution to the development of Virgin Wines over his long tenure.

## **Outlook**

In what is Virgin Wines' 25th anniversary, I am confident that the business has the right proposition, strategy and capitalisation to deliver the growth we are aspiring to.

Trading so far in FY26 has been in line with our expectations and we are well positioned to achieve our growth targets set out earlier this year.

**JOHN RISMAN**

Chairman

## Chief Executive's Review

### Introduction

It's been an exciting year for Virgin Wines, as we announced our medium term growth strategy targeting £100m in annual revenue at a 7% adjusted EBITDA margin. The whole team is highly motivated to execute this and deliver real growth despite the continued challenges of a subdued consumer landscape, rising costs, and an increasingly heavy tax burden.

It's also been a landmark year for the business, being the 25th Anniversary of Virgin Wines.

We were pleased to deliver revenue in line with the prior year, which compares to a sector decline of 9.7%<sup>1</sup> during the 12-month period. This market share gain highlights the robustness of our business model, the loyalty of our customers, and the success of our new initiatives, as we continue to diversify our revenue base.

We have seen the early signs of a return to growth in our customer base, with our key WineBank membership up 1.5% over the year, and improved loyalty with the annual cancellation rate at just 14.7%, an improvement from 16.1% in FY24. WineBank membership stood at 128.3k customers at the end of FY25 and our WineBank proposition delivered £34.5m of FY25 revenue.

We maintain our disciplined approach to customer acquisition, where the Group saw a 28% increase in the number of customers acquired for just a 6% increase in acquisition costs. Our teams are constantly thinking creatively about innovative new ways of converting new customers, so it is a credit to them that we can deliver such enviable acquisition rates.

Our Commercial channel, which specialises in supplying the B2B market, has shown impressive growth, with a 24% increase in revenue to just under £9m for the year, driven by the expansion of our Moonpig and Ocado relationships. Meanwhile, our new value proposition, Warehouse Wines, delivered £1.8m of revenue in its first full year of trading, a commendable achievement. Warehouse Wines shows positive signs of becoming a material contributor to revenue and profit in the medium to long term.

Our disciplined approach to managing costs while driving productivity is a core thread through all areas of the Business. We pride ourselves on being the lowest cost to serve in the sector and were delighted to deliver a further reduction in our operational costs, which equated to just 11% of revenue in FY25, a reduction from 11.8% in FY24. To put this into context, this was achieved despite an increase in the National Living Wage, increased National Insurance contributions, and further cost pressures on fuel and packaging.

Our balance sheet remains strong, with the Group remaining debt-free and with a gross cash balance of £17.6m at the year-end (£9.3m excluding customer WineBank deposits). The strength of our cash position has allowed us to introduce a share buyback programme, as well as commence implementation of our growth strategy and capital allocation plan to drive significant growth in our business over the next five years.

The talent, dedication, and enthusiasm of our teams, whether they are based in our Head Office in Norwich or our National Distribution Centres in Preston and Bolton, have been remarkable. There are many challenges to overcome in our industry, and the resilience our team has shown in tackling these head-on, and finding ways to mitigate wherever possible, has highlighted the innovative approach and 'can-do' attitude so important to high-performing teams in the current environment. My thanks go to each and every one of them for their continued support and commitment.

### Financial overview

During the year, we delivered revenues of £59m, in-line with the previous year. Adjusted EBITDA of £2.3m was 4.5% ahead of market expectations, and PBT of £1.6m was 23.1% ahead of market expectations, albeit both slightly lower than FY24 partially due to the previously announced increased investment in our growth strategy towards the end of the financial year.

The significant cost pressures facing the industry remained over the course of the year, most of which were driven by Government policy. A complete revamp of the alcohol duty regime was introduced in February 2025, with wines being subject to a rising scale of tax for every additional 0.1% of alcohol, rather than the flat rate previously charged between 11.5% ABV and 14.5%. The result is that the vast majority of wines now incur a higher level of alcohol duty, with a wine at 14.5% ABV now subject to £3.21 a bottle, as opposed to £2.67, an increase of 54p a bottle (prior to VAT also being incurred).

The industry has also been subjected to a new sustainability tax called Extended Producer Responsibility (EPR), which equates to approximately 10p per bottle, as well as a further increase in the National Living Wage and increased National

Insurance contributions. The subdued consumer environment has made it difficult to pass on these inflationary cost pressures to customers solely through price increases without a significant effect on consumer response and average order frequency.

Wherever possible, we have mitigated these increased costs through operational efficiencies, leveraging the benefits of our open-source buying model, and through the management of alcohol levels in our wines. However, gross product margin declined in the year from 37.6% in FY24 to 35.6% in FY25, partially due to these additional costs and partially through the change in channel mix where revenue through the Commercial channel and Warehouse Wines have increased. Whilst this lowers % gross margin the lower marketing and operational costs alongside the leverage in volumes delivers increased net contribution.

Despite these cost pressures, and in keeping with our desire to be the lowest cost to serve in the sector, we further reduced our operational costs to 11% of revenue from 11.8% the previous year, despite the inflationary environment.

As noted above, we have a strong balance sheet with no debt, gross cash of £17.6m, and net cash of £9.3m (excluding WineBank customer balances). This cash position is stated after £2m of shares were repurchased over the year and £1.6m of outstanding duty pre-payment was carried into FY26. This healthy cash position allows us to invest in growth, as outlined in our update to the market in March 2025.

### **Our open-source wine buying model**

It has been a challenging period for anyone involved in wine over the past 24 months, with the introduction of a new, highly complicated, and punitive alcohol duty regime. This added significant complexity and substantial increases in the tax charged for the majority of wines sold. This was in addition to the 20% increase in duty that wine was subjected to in August 2023.

It has been more important than ever, therefore, that Virgin Wines has been able to leverage its unique open-source buying model to mitigate these additional costs wherever possible. Our buyers have worked with their wide network of winemaking partners to secure increased volumes from areas with the most attractive quality/value ratios and reduce volumes from areas where it was less beneficial. We have also collaborated closely with our winemakers to lower alcohol levels wherever practical, as long as it does not compromise on the quality or stylistic character of the wine and were delighted that the average rating of our wines was maintained at a healthy 4.2 out of 5.

This has helped us to minimise price increases to customers, highly important given the pressure on consumers' disposable income and the knock-on effect of price rises on order frequency and customer response rates. Our low levels of inventory also mean we can influence the composition of our wine portfolio quickly, with an average of only 12–14 weeks of stock committed at any point.

Our buying team continues to be recognised for the exceptional work they do, and after our Buying Director Sophie Lord was awarded 'Buyer of the Year' by Decanter magazine in 2024, the whole Buying team were shortlisted for Best Off-Trade Buying Team and Sustainable Wine Buying Team of the Year at this year's Wine Buyers Awards.

### **Our approach**

Evolving our consumer propositions continues to be a key element in our ability to attract and retain customers. We do not believe all customers want, or need, the same experience and, as such, we continue to provide several different ways customers can get the most out of Virgin Wines. We believe this flexibility was a key factor in Virgin Wines being voted Online Retailer of the Year at the 2025 People's Choice Awards alongside being rated 'Excellent' on Trustpilot with a score of 4.6 out of 5 from over 25k reviews.

Our flagship subscription scheme, WineBank, continued to deliver outstanding value to wine enthusiasts across the UK by allowing them to spread the cost of buying wine, giving 20% 'interest' on their monthly deposits that can then be spent on our wines, while also giving all WineBank customers free express delivery. It was particularly pleasing to see the 12-month rolling cancellation rate improve from an already excellent 16.1% to just 14.7%, highlighting the outstanding levels of loyalty from customers using this service. The number of customers with a WineBank membership also increased by 1.5% to over 128k.

Our Discovery Wine Club continues to offer customers the ease and convenience of having an expertly curated case of wine delivered to their door every quarter. Building on the success of this model, and to offer customers more choice we've recently introduced a monthly four-bottle option. While this was only launched recently, we believe having less wine, more frequently, will be an attractive proposition, and we look forward to rolling this option out over the coming year.

In addition, we still offer customers the ability to buy whatever they want, whenever they want, from our full range, without any regular payment mechanic or subscription. We are soon to enhance this proposition with the option of a further mechanic that will offer those customers even greater value, and we look forward to launching that prior to Christmas this year.

Our Wine Advisors continue to provide over 30k of our customers a personal, one-to-one service, ensuring every wine purchased is perfectly suited to their customers' tastes and that their personal client base receives the 'inside track' on new wines and special discoveries that they may have otherwise missed. They also handle any rare service queries that may occur, ensuring the Wine Advisor handles the customer's entire relationship with Virgin Wines.

The team was streamlined at the end of our previous financial year, and they have excelled over the past 12 months delivering an increase in revenue per Wine Advisor of 27%, an outstanding achievement.

## **Growth strategy**

During the year, we announced our new growth strategy to turbocharge the business. Virgin Wines is entering an exciting phase of growth and transformation. Our ambition is clear: to grow the business to circa

£100m in revenue at an adjusted EBITDA margin of 7% over the next five years. We are starting from a position of strength, debt-free, with a robust balance sheet and total cash of £17.6m at year end, giving us the firepower to invest in strategic initiatives that will drive growth.

Our strategy is focused on four key levers:

1. Increased investment in customer acquisition, ensuring we reach more consumers and strengthen our brand presence.
2. Expanding our Commercial channel, capturing opportunities in a market that continues to evolve and grow whilst maximising the potential of our strong existing relationships.
3. Driving momentum through our new value proposition, Warehouse Wines, which allows us to capture a different demographic of wine-lovers and bring fresh excitement to our portfolio.
4. Embracing technology, including the launch of a state-of-the-art mobile app in H2 2026, designed to enhance the customer experience, increase engagement, and open up additional avenues for growth, as well as utilising AI to further improve efficiency.

We are confident that our diversified business model combined with this strategy focused on targeted investments in innovation and our core business, positions us to deliver sustainable long-term returns. We are confident that, while ambitious, this is also a prudent strategy, ensuring that we create value for shareholders while building a business that is resilient, flexible, and future-ready.

Our strategy reflects a belief in the power of innovation, putting the customer first, and upholding operational excellence to drive growth. We are excited by Virgin Wines' potential and motivated by the impact these initiatives will have on our business and for our stakeholders. As we embark on this journey, we remain steadfast in our commitment to long-term value creation, confident that the steps we are taking today will define our success tomorrow.

Driving growth through our four strategic pillars will become a key focus for Virgin Wines over the coming years, and we will report our progress against these. Looking at each of these in turn:

### **1. New customer acquisition**

In line with our new growth strategy, we have started to increase our investments in customer acquisition, designed to deliver significant revenue and profit growth over the next five years. It was therefore encouraging to see a 28% increase in customers acquired year-on-year. Importantly, this has been achieved while maintaining our disciplined approach to customer acquisition costs, with just a 6% increase in investment leading to this 28% rise.

We use a variety of channels to attract new customers, including partnerships, strategic accounts, digital, social, and CRM activity. This mix of channels, and the ability to target high-quality customers, ensures we can keep our new customer conversion rates high, at well above 40%, despite driving additional volume. So far, this increase in acquisition hasn't had any detrimental effect on our cancellation rates.

We continue to deliver excellent levels of payback, at +4.5 times over five years, ensuring an attractive return on investment and high lifetime value. This disciplined combination of delivering a low cost per acquisition, high customer conversion

rates, and high levels of payback gives us the confidence to invest more aggressively to drive the growth required in our core business.

## **2. Commercial**

Our Commercial channel continues to go from strength to strength, with revenue increasing by 24% year-on-year in FY25, with acceleration of growth in H2 2025. As one of our key growth areas, we will continue to drive this channel and the performance over the past year shows why we have this confidence.

We are pleased to be growing our relationship with Moonpig to support them in increasing sales through the alcohol category. As a key partner, we are working together to deliver incremental value for both businesses through an increased range and expanded portfolio of products.

We were also delighted to secure an ongoing relationship with Ocado to feature a range of our wines on their website, with both parties being encouraged by the performance so far. In addition, the partnership was acknowledged independently at The Drinks Business Awards 2025, with Ocado and Virgin Wines being awarded the runner-up place in the 'Best Launch' category.

We also continue to strengthen our presence in the travel sector, through our ongoing relationships with a number of key train operators including LNER, Avanti, and Great Western Railway. We have also recently expanded our relationship with WHSmith as it prioritises travel locations, with consumers able to enjoy a selection of our wines from its railway station and airport sites.

Most importantly, we have a strong pipeline of new opportunities to help drive sales through the channel over the next year, as well as further growth with existing partners, and we are excited about the scale we can deliver over the coming years.

## **3. Warehouse Wines**

FY25 saw the first full year of trading for our new value proposition, Warehouse Wines, and we have been encouraged by the progress made. There is a vast amount of wine purchased by UK consumers in the £6.99–£8.99 per bottle bracket, much of which is purchased through supermarkets. Given our ability to source and blend wines that deliver exceptional value for money, as well as our operational efficiency and existing infrastructure, we believe we can be highly competitive on price whilst delivering superior quality wine directly to a customer's door.

We have acquired over 21,500 new customers since launch, sold over 31,000 cases in the year, and delivered revenue just under £1.8m.

There are numerous partnerships that have already been established, and we have an exclusive portfolio of just under 100 wines, rated in line with the Virgin Wines portfolio. Warehouse Wines is rated as 'Excellent' on Trustpilot from over 700 reviews, and we are confident that its strapline, 'Drink Better, Spend Less,' is resonating with many current and prospective customers.

## **4. Mobile app development**

We remain on track to deliver our highly anticipated mobile app in H2 2026. This will increase engagement with existing customers, allow the Business to communicate through push notifications, reducing the reliance on email marketing, as well as opening up new opportunities to acquire an increased number of new customers.

## **Operational excellence**

Virgin Wines has always prided itself on operational efficiency and being the lowest cost to serve in the sector. This constant focus on productivity, accuracy, and excellence continued throughout FY25, resulting in a further year-on-year improvement in the cost per case despite numerous inflationary cost pressures, including rises in the National Living Wage, increased National Insurance contributions, escalating paper costs, and higher transportation costs. As announced in our growth strategy, we are currently conducting a process internally to review how technology and AI can enhance our systems and how we operate, as we continuously strive to deliver efficiencies and excellence.

We continue to enjoy the benefits of our upgraded Warehouse Management System, implemented in late 2022, to drive efficiencies in our pick-and-pack operation, with the cost per case reduced by 3% year-on-year. The customer service department saw even greater benefits, with higher levels of accuracy in the fulfilment centre and faster despatch, allowing us to deliver a 17% saving against FY24.

The full operational cost per case for FY25 was 11% of revenue, compared with 11.8% the previous year, with no negative effect on operational excellence. Our Trustpilot score achieved 4.6 out of 5 and is also rated as “Excellent”, with our customers providing over 1,500 new 5-star reviews over the course of the year.

## **Progress on sustainability**

Sustainability is incredibly important for us as a business, and we regularly review how we can enhance our operations and proposition to the benefit of all of our stakeholders. The Board is fully committed to embedding environmental, social, and governance principles at the heart of our strategy, recognising that responsible business is not just the right thing to do, it is essential for sustainable growth and resilience.

We are actively working to reduce our environmental footprint, cultivate inclusive and thriving workplaces, and strengthen the positive impact we have on the communities we serve. At the same time, we maintain rigorous governance standards to ensure transparency, accountability, and ethical leadership across all levels of the organisation.

The Board takes an active role in overseeing ESG initiatives, setting ambitious goals, and reviewing progress to ensure that our commitments translate into tangible outcomes. We understand that meaningful sustainability is a journey, and we are determined to innovate and adapt in ways that create enduring value for our shareholders, employees, customers, and society at large.

During the year, we stepped away from offsetting and carbon neutrality to concentrate on investing in implementing real change throughout our value chain. Our carbon footprint is independently audited under ISO 14064-1 and we will continue to disclose this, but we are redistributing the resources we were putting into offsetting into insetting and reducing our emissions.

We will continue to focus on working to meet our SME SBTi target to reduce Scope 1 and Scope 2 greenhouse gas (GHG) emissions by 42% by 2030 (from a 2021 base year) and to lower Scope 3 emissions.

## **Our culture, values, and people**

This year, we have been celebrating Virgin Wines’ 25th anniversary, and the incredible journey we have been on during these two-and-a-half decades. When we reflect, what stands out most is not just the milestones we’ve achieved as a business, but the people who have made them possible. We’re proud to have built a culture that’s energetic, inclusive, and innovative.

The long service of so many of our colleagues is proof that this is a place where people want to stay, develop, and thrive. Listening to our people is key to keeping this culture alive. We regularly conduct employee engagement surveys to provide us with insights and inform how we develop the business. We’ve also launched our Community Purpose Programme, empowering our people to support causes that matter to them.

Given the market we operate within, we also understand the importance of responsible drinking and the dangers of alcohol abuse. As such, we actively promote the importance of enjoying alcohol in moderation to our employees and customers and continue to drive our unique messaging that ‘Drinking’s only fun when you don’t overdo it.’

Our culture is vibrant because we celebrate achievements, encourage growth, and support each other every step of the way. As we look to the future, we remain committed to providing an environment where every individual can thrive personally, professionally, and as part of the shared success of Virgin Wines.

## **Capital allocation plan**

As highlighted throughout our communications, the strength of our balance sheet has positioned the Board to strategically consider the optimal deployment of our cash reserves. In line with the Board’s vision, we have unveiled a five-year growth plan aimed at scaling the Business to £100 million in revenue.

Additionally, we have implemented a share buyback program, with £2m spent on repurchasing shares in the year, and we retain the flexibility to undertake further buybacks as appropriate.

We continue to monitor potential M&A opportunities to support our growth objectives and while the primary focus remains on investing cash into expanding our business, the Board continues to periodically review the potential for introducing a dividend policy.

## **Outlook**

We enter the new financial year in a position of strength, with an exciting growth strategy to execute.

Current trading remains in line with market expectations. We are pleased with the progress to date across the key pillars of our growth strategy. Through Q1 2026, customer acquisition to the Virgin Wines brand has increased by 29% year-on-year, revenue through our Commercial channel is tracking in line with its annual growth target, and our value proposition, Warehouse Wines, has grown 134% year-on-year. The development of our mobile app is on schedule and remains on track for launch in H1 2026, representing an important step in enhancing our customer experience and digital capabilities.

We continue to operate in a challenging consumer environment. Driving overall business growth remains demanding against a backdrop of heightened cost pressures, including unprecedented increases in alcohol duty, the introduction of Extended Producer Responsibility (EPR) obligations, and rising salary and input costs. These factors, alongside broader inflationary pressures, underscore the resilience required to deliver sustainable growth in today's market.

Despite these headwinds, we are encouraged by the progress we have made. The performance of our growth initiatives demonstrates the strength and relevance of our strategy, our existing customers remain more loyal than ever, and we remain confident in our ability to navigate the current environment while creating long-term value for our shareholders. We will continue to invest strategically, innovate in our offerings, and build on the foundations that underpin our business, ensuring we are well-positioned to capture future opportunities.

**JAY WRIGHT**

Chief Executive Officer

## Financial Review

### Financial summary

We entered FY25 in a strong financial position following a successful FY24 that focused on streamlining our cost structure and improving our cash balances through profit generation and reduction in inventory levels.

### Cost structure

We continued to drive cost efficiencies in FY25, which were essential in the face of continued inflationary pressure across the supply chain, increased National Living Wage and significant increases in taxation and compliance costs following the duty change in February 2025 and Extended Producer Responsibility (EPR) launch in April 2025. Our continued focus on driving down the cost to serve resulted in fulfilment costs in FY25 reducing to 11.0% of revenue from 11.8% in FY24.

### Cash and working capital

As a cash generative business with no borrowing, we were well placed to launch our growth strategy in FY25 alongside a share buyback that saw £2.0m of shares repurchased during the year.

We were able to use cash reserves to protect margin when duty increased in February 2025, paying £5.7m of duty early, providing a cost saving of £0.6m.

Gross cash at year end was £17.6m, compared to £18.4m in FY24. Excluding ringfenced WineBank customer deposits the end of year cash was £9.3m compared to £10.3m at the prior year end. The cash balance is after spending £2.0m on the repurchase of shares and is net of outstanding duty prepayment of £1.6m, showing the strong cash generating ability of the business.

We seek to maintain optimal inventory levels to manage supply chain issues and support our growth plans. Underlying inventory (excluding duty prepaid before the rate increase) remained well controlled at £5.6m, down from £5.9m last year.

### Growth plan

We launched the growth plan in H2 FY25 with four key growth pillars. While some initiatives will take time to bear fruit others are already delivering growth.

**Commercial** – YOY commercial revenue increased 24.2% in FY25 to £8.9m through a strengthening of existing partnerships and expansion of the commercial customer base.

**Warehouse Wines** – Our value proposition achieved £1.8m sales in its first full year of trading.

**Recruitment** – During FY25 we increased recruitment investment 6% driving a 28% increase in recruits. Customer loyalty strengthened further in FY25, as core customer retention increased to 83% from 81% last year. We also reduced the proportion of active customers lapsing to 33.2% down from 35.7% demonstrating our ability to translate customer recruitment into ongoing, sustainable growth.

**Mobile app** – In order to improve customer experience and provide new ways to recruit and engage with customers, in FY25 we began the development of a mobile app, which is on target for launch in H2 FY26.

### Outlook

Post year-end trading is in line with market expectations. While consumer confidence remains a headwind across the sector, we are confident in our ability to deliver sustainable growth through our focused strategy and operational strengths.

### Profit before tax

Profit before tax for the year was £1.6m compared to £1.7m in the prior year. The Group does not propose any dividend for FY25 (FY24: nil).

### Adjusted EBITDA

Adjusted EBITDA for FY25 was £2.3m, down from £2.8m in FY24. The decrease primarily reflects the additional investment in recruitment alongside inflationary pressures across the supply chain and higher taxation and compliance costs. Adjusted EBITDA is not a statutory reporting measure but is included as an additional performance measure consistent with previous reporting.

### Revenue

Revenue for FY25 was like-for-like with prior year at £59.0m (FY24: £59.0m). Commercial revenue increased 24.2% to £8.9m (FY24: £7.2m). Core D2C sales retention for the year remained strong at 88% (FY24: 93%).

### **Gross Margin**

Gross margin in FY25 of 30.1% compared to 31.9% in FY24. The margin was affected by cost pressures including the launch of EPR and increases in duty in FY25. Proactive measures, such as using cash reserves to prepay duty, helped to offset part of this impact. At the same time, our growth strategy involved increased investment in customer acquisition, which alongside the higher levels of revenue through our Commercial and Warehouse Wine channels affected the overall margin mix.

### **Operating expenses**

Operating expenses fell by £0.8m in FY25 to £16.8m, (FY24: £17.6). Continued emphasis on driving efficiencies in order fulfilment helped to offset inflationary pressures on goods, services, and employee costs.

### **Finance income and expense**

Finance income for the period increased to £0.7m from £0.6m, despite reduced interest rates in FY25, reflecting improved cash balances. Finance expenses were £0.1m (FY24: £0.2m). Further details are available in notes 10 and 11 of the Financial Statements.

### **Amortisation and depreciation**

The Business continues to invest in IT development where there is a clear business case to enhance operational performance or strengthen our consumer proposition. Amortisation and depreciation for the year remained unchanged at £1.3m.

### **Impairment review**

At the reporting date the Directors tested goodwill for impairment in accordance with the requirements of IAS 36 Impairment of Assets. The total carrying amount of the Group's single cash-generating unit was compared to its estimated value in use. No impairment was identified. For further details see note 14.

### **Taxation**

The tax charge for the current financial period was £0.3m (FY24: £0.3m). The tax charge relates to the charge on profit for the period in addition to the movement in the deferred tax provision, measured using the tax rate of 25% (FY24: 25%).

### **Earnings Per Share (EPS)**

FY25 basic EPS 2.4p compared to 2.5p in FY24. The weighted average number of shares in issue for FY25 was 55.0m (FY24: 55.9m). Diluted earnings per share for FY25 was 2.3p, FY24 2.4p with the weighted average number of shares FY25 57.6m (FY24: 58.3m), (see note 13 of the Financial Statements for more details).

### **Capital allocation**

The priority of the Group is to utilise cash to grow through strategic investment in both Capex and Opex, which underpins the growth strategy announced during FY25.

During FY25, the Group continued its share buyback program, investing

£2.0m to repurchase shares, which are held in treasury to hedge against future LTIP liabilities and potential shareholder dilution.

While the Group actively reviews potential M&A opportunities and other avenues to enhance shareholder value, the primary emphasis remains on driving organic growth.

At this time, the Group does not propose a dividend but will continue to keep its dividend policy under review, ensuring alignment with strategic priorities and shareholder interests.

## Consolidated Statement of Comprehensive Income

for the 52-week period ended 27 June 2025

Note		<b>27 June 2025 £'000</b>	28 June 2024 £'000
	<b>Revenue</b>	<b>59,021</b>	59,005
	Cost of sales	<b>(41,240)</b>	(40,200)
	<b>Gross profit</b>	<b>17,781</b>	18,805
	Administrative expenses	<b>(5,940)</b>	(6,261)
	Selling and distribution costs	<b>(10,845)</b>	(11,311)
	<b>Operating profit</b>	<b>996</b>	1,233
	Finance income	<b>725</b>	602
	Finance costs	<b>(129)</b>	(154)
	<b>Profit before taxation</b>	<b>1,592</b>	1,681
	Taxation expense	<b>(290)</b>	(302)
	<b>Profit for the financial period and total comprehensive income</b>	<b>1,302</b>	1,379
	<b>Basic earnings per share (pence)</b>	<b>2.4</b>	2.5
	<b>Diluted earnings per share (pence)</b>	<b>2.3</b>	2.4

The results for the periods shown above are derived entirely from continuing activities.

The Group has no other comprehensive income or expense other than the profit above and therefore no separate statement of other comprehensive income has been presented.

## Consolidated Statement of Financial Position

as at 27 June 2025

Company number 13169238	Note	27 June 2025 £'000	28 June 2024 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	14	11,357	11,159
Property, plant and equipment	15	110	202
Right of use assets	16	1,877	2,370
Deferred tax asset	17	–	194
<b>Total non-current assets</b>		<b>13,344</b>	<b>13,925</b>
<b>Current assets</b>			
Inventories	18	7,153	5,868
Trade and other receivables	19	3,041	2,684
Cash and cash equivalents	20	17,579	18,370
<b>Total current assets</b>		<b>27,773</b>	<b>26,922</b>
<b>Total assets</b>		<b>41,117</b>	<b>40,847</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables	21	(15,874)	(14,425)
Derivative financial instruments	23	(6)	(3)
Lease liability	16	(554)	(539)
<b>Total current liabilities</b>		<b>(16,434)</b>	<b>(14,967)</b>
<b>Non-current liabilities</b>			
Provisions	22	(413)	(367)
Lease liability	16	(1,639)	(2,193)
Deferred tax liability	17	(11)	–
<b>Total non-current liabilities</b>		<b>(2,063)</b>	<b>(2,560)</b>
<b>Total liabilities</b>		<b>(18,497)</b>	<b>(17,527)</b>
<b>Net assets</b>		<b>22,620</b>	<b>23,320</b>
<b>Equity</b>			
Share capital	24	560	560
Share premium		11,989	11,989
Own share reserve		(43)	(3)
Merger reserve		65	65
Share based payment reserve		294	552
Retained earnings		9,755	10,157
<b>Total equity</b>		<b>22,620</b>	<b>23,320</b>

The Financial Statements on pages 63 to 90 were approved by the Board of Directors and authorised for issue on 21 October 2025. They were signed on its behalf by:

**AMANDA CHERRY**

Chief Financial Officer

The notes on pages 67 to 90 form part of these Financial Statements.

## Consolidated Statement of Changes in Equity

for the 52-week period ended 27 June 2025

	Share capital £'000	Share premium £'000	Own share reserve £'000	Merger reserve £'000	Share based payment reserve £'000	Retained earnings £'000	Total Shareholders' funds £'000
1 July 2023	558	11,989	–	65	402	8,808	21,822
Profit for the financial period	–	–	–	–	–	1,379	1,379
<b>Total comprehensive income for the period</b>	–	–	–	–	–	1,379	1,379
Share-based payments (note 9)	–	–	–	–	266	–	266
Shares issued on exercise of share based payment	2	–	–	–	(116)	116	2
Own shares distributed	–	–	(3)	–	–	(146)	(149)
<b>Total transactions with owners recognised in equity</b>	2	–	(3)	–	150	(30)	119
<b>28 June 2024</b>	<b>560</b>	<b>11,989</b>	<b>(3)</b>	<b>65</b>	<b>552</b>	<b>10,157</b>	<b>23,320</b>
<b>29 June 2024</b>	<b>560</b>	<b>11,989</b>	<b>(3)</b>	<b>65</b>	<b>552</b>	<b>10,157</b>	<b>23,320</b>
Profit for the financial period	–	–	–	–	–	1,302	1,302
<b>Total comprehensive income for the period</b>	–	–	–	–	–	1,302	1,302
Share-based payments (note 9)	–	–	–	–	(35)	–	(35)
Shares issued on exercise of share-based payment (note 24)	–	–	1	–	(223)	223	1
Shares repurchased, held in treasury	–	–	(41)	–	–	(1,927)	(1,968)
<b>Total transactions with owners recognised in equity</b>	–	–	(40)	–	(258)	(1,704)	(2,002)
<b>27 June 2025</b>	<b>560</b>	<b>11,989</b>	<b>(43)</b>	<b>65</b>	<b>294</b>	<b>9,755</b>	<b>22,620</b>

The notes on pages 67 to 90 form part of these Financial Statements.

## Consolidated Statement of Cash Flows

for the 52-week period ended 27 June 2025

Note		27 June 2025 £'000	28 June 2024 £'000
<b>Cash flows from operating activities</b>			
	<b>Profit before taxation</b>	<b>1,592</b>	1,681
	Adjustments for:		
	Depreciation and amortisation	6	1,298
	Loss on disposal of intangible asset	14	–
	Share-based payment (credit)/expense	9	(35)
	Net finance costs	10, 11	(596)
	Increase in trade and other receivables		(356)
	(Increase)/Decrease in inventories		(1,285)
	Increase in trade and other payables		1,412
	<b>Net cash generated from operating activities</b>	<b>2,030</b>	5,519
<b>Cash flows from investing activities</b>			
	Interest received	10	725
	Purchase of intangible and tangible fixed assets	14, 15	(911)
	<b>Net cash (used in)/ generated from investing activities</b>	<b>(186)</b>	159
<b>Cash flows from financing activities</b>			
	Payment of lease liabilities	16	(539)
	Payment of lease interest	11, 16	(129)
	Issue of treasury shares	24	1
	Purchase of own shares		(1,968)
	<b>Net cash used in financing activities</b>	<b>(2,635)</b>	(822)
	<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(791)</b>	4,856
	Cash and cash equivalents at beginning of period	<b>18,370</b>	13,514
	<b>Cash and cash equivalents at end of period</b>	<b>17,579</b>	18,370
<b>Cash and cash equivalents comprise:</b>			
	Cash at bank and in hand	<b>17,579</b>	18,370

The notes on pages 67 to 90 form part of these Financial Statements.

## Notes Forming Part of the Financial Statements

for the 52-week period ended 27 June 2025

### 1. General information

The principal activity of the Group is import and distribution of wine.

The Company was incorporated on 1 February 2021 in the United Kingdom and is a public company limited by shares registered in England and Wales. The registered office is 37-41 Roman Way Industrial Estate, Longridge Road, Ribbleson, Preston, Lancashire, United Kingdom, PR2 5BD. The registered company number is 13169238.

### 2. Accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these consolidated financial statements to the extent that they have not already been disclosed in the other notes above. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the Group consisting of Virgin Wines UK plc and its subsidiaries.

#### Basis of preparation

The Group's financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under these standards.

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

The financial information set out in this announcement does not constitute the Group's financial statements for the period ended 27 June 2025 as defined by Section 434 of the Companies Act. This financial information should be read in conjunction with the financial statements of the Group for the period ended 28 June 2024 (the "Prior year financial statements"), which are available from the Registrar of Companies. The Prior year financial statements were prepared in accordance with UK adopted international accounting standards and the applicable legal requirements of the Companies Act 2006. The auditors, Azets Audit Services, reported on those accounts and their report was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under Section 498 (2) or (3) of the Companies Act 2006.

#### Accounting reference date

UK company law permits a company to draw up financial statements to a date seven days either side of its accounting reference date. For operational reasons the Company has adopted an accounting period of 52 weeks, and as a result of this, the exact year-end was 27 June 2025 (2024: 28 June 2024).

#### Historical cost convention

The financial statements have been prepared on a historical cost basis except for certain financial assets and liabilities (including derivative instruments), measured at fair value through the income statement.

#### New and revised IFRS Accounting Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRSs that have been issued but are not yet effective.

Effective Date	IFRS	Subject
1 January 2025	Amendments to IAS 21	Lack of Exchangeability
1 January 2026	Amendments to IFRS 9 and 7 Annual Improvements to IFRS Accounting Standards - Volume 11	Classification and Measurement of Financial Instruments

1 January 2027	IFRS 18 IFRS 19	Presentation and Disclosure in Financial Statements Subsidiaries without Public Accountability: Disclosures
Effective date deferred indefinitely	Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

### *Going concern*

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report and the Directors' Report, which also describe the financial position of the Group. The Group's financial risk management objectives and its exposure to credit risk and liquidity risk are set out in note 23.

During the period the Group met its day-to-day working capital requirements through cash generated from operating activities. The Group's forecasts and projections, taking account of a severe but plausible change in trading performance, show that the Group should be able to operate using cash generated from operations, and that no additional borrowing facilities will be required.

Having assessed the principal risks, the Directors considered it appropriate to adopt the going concern basis of accounting in preparing its consolidated financial statements.

### **Climate change**

The Group recognises the risks of climate change. The Group's current climate change strategy focuses on reducing its carbon footprint through sustainability initiatives to reduce waste and greenhouse gas emissions. The impact of climate change has been considered in the preparation of these financial statements, including the risks identified as part of the Principle Risks and Uncertainties disclosures on page 31. None of these risks had a material effect on the consolidated financial statements of the Group. In particular, the Directors have considered the impact of climate change in respect of the following areas:

- Going concern and viability of the Group over the next three years;
- Carrying value and useful economic lives of property, plant and equipment; and
- The discounted cash flows included in the value in use calculation used in the annual goodwill impairment testing.

Whilst there is currently no material impact expected from climate change, the Group is aware of the ever-changing risks related to climate change and will continue to develop its assessment of the impact on the financial statements.

### **Basis of consolidation**

The financial statements consolidate the financial information of the Group and companies controlled by the Group (its subsidiaries) at each reporting date.

Control is achieved where the Company has the power to govern the financial and operating policies of an investee entity, has the rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns. The results of subsidiaries acquired or sold are included in the financial information from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the results of acquired subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

The financial statements of all Group companies are adjusted, where necessary, to ensure the use of consistent accounting policies.

### **Revenue recognition**

Revenue from contracts with customers contains one performance obligation, unless it is a WineBank sale, in which case there are two performance obligations and this is described separately below. The single performance obligation is the supply of goods. The transaction price is fully allocated to the single performance obligation for non-WineBank sales. The

Group recognises revenue at a point in time when the single performance obligation is satisfied. The performance obligation is satisfied when control is passed to the customer. Control is deemed to pass to the customer upon delivery of the goods.

Revenue is recognised at the transaction price of the sale of goods, net of discounts and excluding value added tax, in the ordinary course of business.

The Group uses its accumulated historical experience to estimate the level of returns on a portfolio level using the expected value method. Credit terms are only provided to corporate customers, and the average days are 60.

### **WineBank**

Amounts deposited by customers for WineBank are initially reported as a liability in the Statement of Financial Position. On registering as a WineBank customer, subscription customers agree to lodge a regular monthly sum into their WineBank account. These sums accumulate in the customer account and build a balance to use against their next purchase from the Group.

Amounts deposited by WineBank customers are reported within the Group cash balance but are held separate to Group funds. WineBank deposits are not used to fund the working capital of the business. WineBank customers can cancel their WineBank account at any time and may request to receive their money back immediately with no penalty whatsoever.

Using funds deposited through the WineBank scheme entitles account holders to benefit from an extra discount on the Group's website prices. This discount represents a 'material right' under IFRS 15 Revenue from Contracts with Customers when customers spend their WineBank cash balance but not the associated interest. The material right performance obligation is calculated on a portfolio basis taking into account inactive customers and expected future cash receipts which reduce the portfolio value of the material right. The material right provision is included within contract liabilities and deferred until the customer uses the discount on a future order.

Orders placed through the WineBank scheme also contain the same performance obligation as for other sales, as described above. The transaction price allocated to this performance obligation is the remaining amount after allocating the element to the material right, and is recognised upon delivery to the customer.

### **Finance costs**

Finance costs on financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount. Issue costs relating to financial instruments are recognised in the income statement over the term of the debt at a constant rate over the instrument's life.

Interest on leases is calculated based on the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used (see lease accounting policy).

### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax.

Tax is recognised in the Consolidated Statement of Comprehensive Income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

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

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates and laws enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

The carrying amounts of deferred tax assets are reviewed at each reporting date.

## **Foreign currencies**

### *Functional and presentational currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of the Group is Pounds Sterling. The financial statements have been rounded to thousands.

### *Transactions and balances*

Transactions denominated in foreign currencies are translated into the functional currency at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at quoted rates of exchange ruling at the balance sheet date. Exchange profits and losses arising from current trading are included in operating profit.

## **Goodwill**

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired is capitalised.

The goodwill in the consolidated financial statements represents the goodwill recognised in the predecessor holding company financial statements at the original carrying value.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment 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. An impairment loss recognised for goodwill is not reversed in a subsequent period.

## **Intangible assets**

Computer software is stated at cost less accumulated amortisation and impairment losses. Software is amortised over its estimated useful life, of between five and eight years, on a straight line basis.

Where factors, such as technological advancement or changes in market prices, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

## **Property, plant and equipment**

Property, plant and equipment are stated at historic purchase cost less accumulated depreciation and impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

- Leasehold property - over the life of the lease
- Fixtures and fittings - 33.33% per annum
- Computer hardware and warehouse equipment - 33.33% per annum

Assets classified as 'work in progress' are not depreciated as such assets are not currently available for (or in) use. Once in use, assets will be re- categorised and depreciated at the rate appropriate to their classification.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

## **Impairment of non-financial assets (excluding goodwill)**

At each reporting 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 to determine the extent of the impairment loss (if any). Where the asset does not generate

cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The 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 comprehensive income.

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 to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years.

## **Leases**

A contract, or a portion of a contract, is accounted as a lease when it conveys the right to use an asset for a period of time in exchange for consideration. Leases are those contracts that satisfy the following criteria:

- There is an identified asset;
- The Group obtains substantially all the economic benefits from use of the asset; and
- The Group has the right to direct use of the asset.

The Group considers whether the supplier has substantive substitution rights. If the supplier does have those rights, the contract is not identified as giving rise to a lease. In determining whether the Group obtains substantially all the economic benefits from use of the asset, the Group considers only the economic benefits that arise from use of the asset. In determining whether the Group has the right to direct use of the asset, the Group considers whether it directs how and for what purpose the asset is used throughout the period of use. If the contract or portion of a contract does not satisfy these criteria, the Group applies other applicable IFRS rather than IFRS 16.

The group leases various offices, warehouses and equipment. Rental contracts are typically made for fixed periods of 5 to 10 years, but may have extension options.

Contracts may contain both lease and non-lease components. The group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Group under residual value guarantees;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Virgin Wines UK plc, which does not have recent third-party financing; and
- makes adjustments specific to the lease, for example term and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group has elected not to recognise right of use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## **Inventory**

Inventories are valued at the lower of cost and net realisable value on a FIFO basis. Cost comprises purchase price plus associated freight and duty costs for imported goods. Inventories are regularly assessed for evidence of impairment. Where such evidence is identified, a provision is recognised to reduce the value of inventories to its selling price after incurring any future costs to sell.

## **Cash and cash equivalents**

Cash and cash equivalents include cash on hand and with banks, as well as any deposits made with financial institutions with a maturity period of less than three months from the date of deposit. Cash and cash equivalents also includes amounts received from WineBank customers which are not restricted and as such are presented as cash and cash equivalents.

## **Financial instruments**

### *Recognition, initial measurement and derecognition*

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

### *Classification and subsequent measurement of financial assets*

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- financial assets at amortised cost; and
- financial assets/liabilities held at fair value through profit or loss (FVTPL).

### *Financial assets at amortised cost*

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

The Group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL on trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

All income and expenses relating to financial assets that are recognised in the Consolidated Statement of Comprehensive Income are presented within finance costs or finance income, except for impairment of trade receivables which is presented within other administrative expenses.

#### *Classification and subsequent measurement of financial liabilities*

The Group's financial liabilities include trade and other payables and accruals, loans and borrowings and derivative financial instruments.

Financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried at fair value with gains or losses recognised in the Consolidated Statement of Comprehensive Income.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in the Consolidated Statement of Comprehensive Income are included within finance costs or finance income.

#### *Derivative financial liabilities*

Derivatives are initially recognised at fair value at the date a derivative is entered into and are subsequently remeasured to their fair value at each reporting date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in the Consolidated Statement of Comprehensive Income immediately. A derivative is presented as a non-current asset or non-current liability if the Group has an unconditional right to defer payment beyond 12 months. Otherwise derivatives are presented as current assets or liabilities.

#### *Employee benefits*

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

##### *(i) Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *(ii) Defined contribution pension plans*

The Group operates a number of defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The

contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

##### *(iii) Share-based payments*

A transaction is accounted for as a share-based payment where the Group receives services from employees, Directors or third parties and pays for these in shares or similar equity instruments.

The Group makes equity-settled share-based payments to certain employees and Directors. Equity-settled share-based schemes are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant,

measured by use of an appropriate valuation model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the period services are received, based on the Group's estimate of shares that will eventually vest. Share options are forfeited when an employee ceases to be employed by the Group unless determined to be a 'Good Leaver'. A 'Good Leaver' is a participant who ceases employment by reason of death, retirement, injury, ill-health or disability.

The Group has discretion to recover the employer's National Insurance liability from the employee. For the current active schemes the Company has chosen to do so.

### **Merger reserve**

The merger reserve was created as a result of the share for share exchange under which Virgin Wines UK plc became the parent undertaking prior to the IPO. Under merger accounting principles, the assets and liabilities of the subsidiaries were consolidated at book value in the Group Financial Statements and the consolidated reserves of the Group were adjusted to reflect the statutory share capital, share premium and other reserves of the Company as if it had always existed, with the difference presented as the merger reserve.

### **Retained earnings**

Retained earnings includes all current and prior period retained profits and losses. All transactions with owners of the parent are recorded separately within equity.

Dividends are recognised when approved by the Group's shareholders or, in the case of interim dividends, when the dividend has been paid.

### **Section 479c Companies Act 2006 audit exemption**

The subsidiaries Virgin Wine Online Limited (registered number 03800762) and Virgin Wines Holding Company Limited (registered number 07970057) are exempt from the requirements of the Act relating to the audit of accounts under section 479a of the Companies Act 2006.

## **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In preparing these Financial Statements, the Directors have made the following key judgements and estimates:

### **Goodwill impairment assessment (note 14)**

At each reporting date, the Group tests goodwill for impairment in accordance with the requirements of IAS 36. The recoverable amount of the Group's single cash-generating unit (CGU) is determined by calculating its value in use. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the single CGU and to use a suitable discount rate in order to calculate their present value. The value in use is then compared to the total of the relevant assets and liabilities of the CGU. See note 14 for details of the test for impairment and the relevant key assumptions.

### **Assessment of carrying values of plc company investments and amounts due from Group undertakings**

In relation to the plc company's investments in subsidiaries, the Directors are required to assess whether there are any indicators of impairment at each reporting date. All relevant potential indicators are considered, including the performance of the underlying trading subsidiary and the results of the Group's impairment assessment performed as at the same date as described above. The Directors exercise their judgement in determining whether any such indicators exist. Where an indicator of impairment is identified in relation to the Company's investments or intercompany receivable balances, a full impairment review is performed. The Directors performed their assessment and concluded that no impairment indicators existed at 27 June 2025 and, as such, a full impairment review over the company's investments in subsidiaries and intercompany receivables was not performed.

In relation to the amounts due from Group undertakings, the Directors are required to assess their carrying amount for any impairment using the expected credit losses (ECL) model. As set out in note 6 to the Company Financial Statements, the amounts owed by Group undertakings are unsecured, interest free and repayable on demand. Consistent with the ECL model, the Directors have assessed the carrying amount for impairment on the assumption that repayment of the amounts were demanded at the reporting date. The Directors, having determined that the borrower had insufficient highly liquid resources at the reporting date, considered the expected manner of recovery and recovery period of these loans (the

Company's 'recovery scenarios'). The Directors determined that the only non-trivial recovery scenario would be realised by way of a dividend distribution by the Group's trading subsidiary, Virgin Wine Online Limited. The Directors, amongst other factors, considered the ability and intent of the subsidiary to make such a distribution if required, and ultimately determined that any reduction in the carrying amount of these receivables would be inconsequential to the Company's Financial Statements. On that basis, no ECL provision has been recognised.

#### Sources of estimation uncertainty

The Group has considered other estimates and assumptions that, whilst not deemed to represent a significant risk of material adjustment, do represent important estimates at 27 June 2025 and are disclosed accordingly. The valuation of the material right provision is disclosed as an other estimate in the current year.

#### 4. Segmental reporting

IFRS 8 requires operating segments to be determined based on the Group's internal reporting to the Chief Operating Decision Maker (CODM). The CODM has been determined to be the Board as it is primarily responsible for the allocation of resources to segments and the assessment of performance of the segments.

The level of aggregation of results reported to and assessed by the CODM supports that there are not operating segments smaller than the business as a whole, there is only one operating segment, which comprises all of the operations of the Group. Performance of this operating segment is assessed on revenue and Adjusted EBITDA (being operating profit excluding share based payments and any exceptional items, see table on page 29). These are the financial performance measures that are reported to the CODM, along with other operational performance measures, and are considered to be useful measures of the underlying trading performance of the segment. Adjusted items are not allocated to the operating segment as this reflects how they are reported to the Board.

#### 5. Revenue

The Directors have considered the requirement of IFRS 15 with regards to disaggregation of revenue and do not consider this to be required as the Group has only one operating segment which is the sale of alcohol.

There is one geographical market being the UK, all revenue streams having similar recognition policies and whilst the Group provides services, Management do not believe such analysis would provide meaningful information for users of the financial statements.

There were no major customers that individually accounted for more than 10% of total revenues (2024: no customers).

#### 6. Operating profit

Operating profit is stated after charging/(crediting):

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Inventory charged to cost of sales	<b>38,137</b>	37,063
Depreciation (note 15)	<b>171</b>	228
Depreciation of right of use asset (note 16)	<b>493</b>	500
Staff costs (note 7)	<b>7,881</b>	8,367
Shared-based payments (note 9)	<b>(35)</b>	266
Net exchange gains (including movements on fair value through profit and loss derivatives)	<b>(33)</b>	(75)
Movement in inventory provision	<b>(17)</b>	67
Intangible asset amortisation (note 14)	<b>634</b>	583
Low value and short-term rentals excluded from right of use asset	<b>70</b>	59
Auditors' remuneration:		
– for the audit of the Group and Parent Company Financial Statements	<b>141</b>	132
– non audit fees (tax compliance services)	<b>–</b>	–

#### 7. Staff costs

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Staff costs (including directors) consist of:		
Wages and salaries	<b>6,630</b>	7,123
Social security costs	<b>780</b>	773
Other pension costs	<b>471</b>	471
	<b>7,881</b>	8,367

The amount recognised in the Consolidated Statement of Comprehensive Income as an expense in relation to the Group's defined contribution schemes is £471,000 (2024: £471,000).

The monthly average number of employees (including directors) during the period was as follows:

By function	<b>27 June 2025 Number</b>	28 June 2024 Number
Sales	<b>124</b>	151
Management and administrative	<b>42</b>	40
	<b>166</b>	191

The majority of employees are eligible to join the defined contribution pension plan.

## 8. Key management personnel

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Short-term employee benefits	<b>683</b>	686
Post employment benefits	<b>25</b>	25
	<b>708</b>	711

During the period, retirement benefits were accruing to two directors (2024: 2) in respect of defined contribution pension schemes. Key management personnel include only the Directors and as such no further disclosures in respect of compensation are given.

Additional analysis can be found in the Remuneration Committee report.

## 9. Share-based payments

In the 52 week period ended 27 June 2025 the Group operated an equity-settled share-based payment plan as described below.

The credit in the period attributed to the plan was £35,000 (2024: charge of £266,000). The total amount recognised in relation to share based payments is £632,500 (2024: £668,000).

Under the Virgin Wines UK Plc Long-Term Incentive Plan, the Group gives performance share awards (PSA) and restricted share awards (RSA) to Directors and senior staff subject to the achievement of a pre-agreed revenue and net profit figure for the financial year of the Group, three financial years subsequent to the date of the award. These shares vest after the delivery of the audited revenue and profit figure for the relevant financial period has been announced.

Awards are granted under the plan for no consideration and carry no dividend or voting rights. Awards are exercisable at the nominal share value of £0.01.

Awards are forfeited if the employee leaves the Group before the awards vest, except under circumstances where the employee is considered a 'Good Leaver'.

Grant date	Vesting date	Expiration date	27 June 2025		28 June 2024	
			Share price at grant	Number of share options issued	Share price at grant	Number of share options issued
PSA Share Awards						
2 May 2025	2 May 2028	2 May 2035	47p	963,101	–	–
30 April 2024	30 April 2027	30 April 2034	–	–	48p	2,077,748
RSA Share Awards						
6 March 2025	6 March 2028	6 March 2035	43p	300,000	–	–

	Number of Shares 27 June 2025	Number of Shares 28 June 2024
Outstanding at start of period	4,189,775	2,811,645
Granted during the period	1,263,101	2,077,748
Lapsed during the period	(1,685,544)	(564,773)
Exercised during the period	(166,132)	(134,845)
Outstanding at end of period	3,601,200	4,189,775

Of the above shares, 260,351 were vested and exercisable at 27 June 2025 (2024: 141,369).

The average remaining time for awards to vest is 2.1 years (2024: 2.0 years). The awards outstanding at 27 June 2025 have a weighted average remaining contractual life of 9.1 years (2024: 9.1 years).

The fair value at grant date was determined with reference to the share price at grant date, as there are no market-based performance conditions and the expected dividend yield is 0%. Therefore there was no separate option pricing model used to determine the fair value of the awards.

## 10. Finance income

	27 June 2025 £'000	28 June 2024 £'000
Bank interest	725	602

## 11. Finance costs

	27 June 2025 £'000	28 June 2024 £'000
Interest payable for lease liabilities	129	154

## 12. Taxation

	27 June 2025 £'000	28 June 2024 £'000
Analysis of charge for the period		

Current tax		
Charge for the year	<b>85</b>	–
Total current tax	<b>85</b>	–
Deferred tax		
Origination and reversal of timing differences	<b>212</b>	414
Adjustment in respect of prior period	<b>(7)</b>	(112)
Total deferred tax	<b>205</b>	302
Tax charge on profit on ordinary activities	<b>290</b>	302

### Factors that may affect future tax charges:

Deferred taxes at the balance sheet date have been measured using the effective tax rate (25%).

The tax assessed for the period is lower (2024: lower) than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Profit before tax	<b>1,592</b>	1,681
Profit before tax at the standard rate of corporation tax in the UK of 25% (period ended 28 June 2024 – 25%)	<b>398</b>	420
Effects of:		
Expenses not deductible for tax purposes	<b>3</b>	68
Adjustment in respect of prior period	<b>(7)</b>	(112)
Other permanent differences	<b>(104)</b>	(74)
Total tax (credit)/charge for the period	<b>290</b>	302

For further information on deferred tax balances see note 17.

### 13. Earnings per share

Basic and diluted earnings per share are calculated by dividing the earnings attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period.

At 27 June 2025 the total number of potentially dilutive shares issued under the Virgin Wines UK Plc long term incentive plan was 3,601,200 (2024: 4,189,775).

The calculation of basic profit per share is based on the following data:

#### Statutory EPS

	<b>27 June 2025</b>	28 June 2024
Earnings (£'000)		
Earnings for the purpose of basic earnings per share	<b>1,302</b>	1,379
Number of shares		
Adjusted average number of shares for the purposes of basic earnings per share	<b>55,038,450</b>	55,862,155
Adjusted average number of shares for the purposes of diluted earnings per share	<b>57,618,515</b>	58,310,962
Basic earnings per ordinary share (pence)	<b>2.4</b>	2.5
Diluted earnings per ordinary share (pence)	<b>2.3</b>	2.4

### 14. Intangible assets

	<b>Goodwill</b>	<b>Software</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost</b>			
At 1 July 2023	9,623	3,480	13,103
Additions	–	415	415
Disposals	–	(23)	(23)
At 28 June 2024	9,623	3,872	13,495
Additions	–	832	832
Disposals	–	–	–
<b>27 June 2025</b>	<b>9,623</b>	<b>4,704</b>	<b>14,327</b>
<b>Accumulated amortisation and impairment</b>			
At 1 July 2023	–	1,753	1,753
Amortisation charge	–	583	583
At 28 June 2024	–	2,336	2,336
Amortisation charge	–	634	634
<b>27 June 2025</b>	<b>–</b>	<b>2,970</b>	<b>2,970</b>
<b>Net book value</b>			
<b>27 June 2025</b>	<b>9,623</b>	<b>1,734</b>	<b>11,357</b>
28 June 2024	9,623	1,536	11,159

Included within Software is £0.3m (2024: £0.4m) in relation to development of the Korber warehouse management system, which has a remaining amortisation period of two years (2024: three years)

Included in Software is £1.7m (2024: £1.2m) of internally generated asset.

Amortisation is charged to administrative expenses in the consolidated statement of comprehensive income. Software is amortised over its estimated useful economic life.

The Group is required to test, on an annual basis, whether goodwill has suffered any impairment. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the determination of a discount rate in order to calculate the present value of the cash flows.

The goodwill figure has been derived from the acquisition of 100% of the share capital of Virgin Wine Online Limited by Virgin Wines Holding Company Limited in 2013 and as such there is only one cash-generating unit.

The Group has estimated the value in use of the business as a cash generating unit based on a discounted cashflow model which adjusts for risks associated with the assets. The discount rate applied is a pre-tax rate of 14.5% (2024: 15.2%)

The forecasts for the business are based over a 5-year projection period, use past experience and apply a forecast annual growth rate. The key assumptions used in the discounting cashflow were the sales and EBITDA figures (based on board approved plans), the future growth rate (including long-term growth rate of 2%) and the discount rate.

The Directors have assessed the sensitivity of the impairment test to reasonably possible changes in the key assumptions described above, and noted that sufficient headroom existed in all cases.

## 15. Property, plant and equipment

	Leasehold property £'000	Computer hardware & warehouse equipment £'000	Fixtures & fittings £'000	Total £'000
<b>Cost</b>				
At 1 July 2023	20	980	538	1,538
Additions	–	14	14	28
At 28 June 2024	20	994	552	1,566
Additions	–	62	17	79
<b>At 27 June 2025</b>	<b>20</b>	<b>1,056</b>	<b>569</b>	<b>1,645</b>
<b>Accumulated depreciation</b>				
At 1 July 2023	20	750	366	1,136
Charge for the period	–	132	96	228
At 28 June 2024	20	882	462	1,364
Charge for the period	–	99	72	171
<b>At 27 June 2025</b>	<b>20</b>	<b>981</b>	<b>534</b>	<b>1,535</b>
<b>Net book value</b>				
<b>At 27 June 2025</b>	<b>–</b>	<b>75</b>	<b>35</b>	<b>110</b>
At 28 June 2024	–	112	90	202

Depreciation is charged to administrative expenses in the consolidated statement of comprehensive income.

## 16. Right of use assets

The Group leases a number of properties across the UK, in Norwich, Preston and Bolton.

	Leasehold property £'000	Computer hardware & warehouse equipment £'000	Total £'000
<b>Cost</b>			
At 1 July 2023	5,060	252	5,312
At 28 June 2024	5,060	252	5,312
<b>At 27 June 2025</b>	<b>5,060</b>	<b>252</b>	<b>5,312</b>
<b>Accumulated depreciation</b>			
At 1 July 2023	2,357	85	2,442
Charge for the period	450	50	500
At 28 June 2024	2,807	135	2,942
Charge for the period	450	43	493
<b>At 27 June 2025</b>	<b>3,257</b>	<b>178</b>	<b>3,435</b>
<b>Net book value</b>			
<b>At 27 June 2025</b>	<b>1,803</b>	<b>74</b>	<b>1,877</b>
At 28 June 2024	2,253	117	2,370

### Lease liability

	Leasehold property £'000	Computer hardware & warehouse equipment £'000	Total £'000
At 1 July 2023	3,082	171	3,253
Interest expense	148	6	154
Lease payments	(619)	(56)	(675)
At 28 July 2024	2,611	121	2,732
Interest expense	125	4	129
Lease payments	(620)	(48)	(668)
<b>At 27 June 2025</b>	<b>2,116</b>	<b>77</b>	<b>2,193</b>

## 17. Deferred tax

	27 June 2025 £'000	28 June 2024 £'000
Brought forward	194	496
Utilisation through income statement	(205)	(302)
Carried forward	(11)	194

The balance comprises temporary differences attributable to:

	Fixed asset differences £'000	Other timing differences £'000	Tax losses £'000	Total £'000
Deferred tax asset at 1 July 2023	95	20	381	496
Recognised in the period through income statement	(22)	3	(283)	(302)
Deferred tax asset at 28 July 2024	73	23	98	194
Recognised in the period through income statement	(116)	9	(98)	(205)
<b>Deferred tax (liability)/asset at 27 June 2025</b>	<b>(43)</b>	<b>32</b>	<b>–</b>	<b>(11)</b>

The Directors consider that sufficient future taxable profits will be available and as such deferred tax (liabilities)/assets have been recognised in full for Virgin Wine Online Limited and Virgin Wines UK Plc.

A deferred tax asset has been recognised on losses in Virgin Wines Holding Company Limited to the extent to which the losses can be utilised through group relief. The deferred tax asset not recognised in Virgin Wines Holding Company is £0.9m (2024: £0.9m).

The deferred tax asset is expected to be utilised in more than one year. Deferred tax is calculated based on the expected tax rate in force when the timing differences reverse of 25% (2024: 25%).

## 18. Inventories

	27 June 2025 £'000	28 June 2024 £'000
Finished goods for resale	7,153	5,868

There is no difference between the replacement cost of stocks and carrying value (28 June 2024: £nil). Inventories are stated after provision for impairment of £245,000 (2024: £262,000).

## 19. Trade and other receivables

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
<b>Amounts falling due within one year:</b>		
Gross carrying amount - trade receivables	<b>1,798</b>	1,040
Loss allowance	<b>(5)</b>	(6)
Net carrying amount - trade receivables	<b>1,793</b>	1,034
Prepayments	<b>1,183</b>	1,523
Other receivables	<b>65</b>	127
	<b>3,041</b>	2,684

Trade receivables are considered past due once they have passed their contracted due date. Trade receivables and contract assets are assessed for impairment based upon the expected credit losses model.

The Group applies the IFRS 9 Simplified Approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

The expected loss rates are based on the Group's historical credit losses experienced over the 3 years prior to the period end. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting the Group's customers.

The average credit period on sales is 30 days after the invoice has been issued. No interest is charged on outstanding trade receivables.

At 27 June 2025 there was 1 (28 June 2024: 2) customers who owed in excess of 10% of the total trade debtor balance. These customers were operating within their agreed credit terms and the Directors do not foresee an increased credit risk associated with these customers. As such no provision for impairment has been recognised on these balances.

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 60 days past due. There are no amounts outstanding on financial assets that were written off during the reporting period and which are still subject to enforcement activity. Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other receivables relates to uncleared sales receipts from customers, processed in the normal course of business. The maturity analysis of trade receivables and other debtors is shown below:

	<b>27 June 2025</b>			<b>28 June 2024</b>		
	<b>Gross £'000</b>	<b>Provision £'000</b>	<b>Net £'000</b>	Gross £'000	Provision £'000	Net £'000
Trade receivables and other debtors						
Not yet due	<b>1,743</b>	–	<b>1,743</b>	941	–	941
Overdue	<b>55</b>	<b>(5)</b>	<b>50</b>	99	(6)	93
	<b>1,798</b>	<b>(5)</b>	<b>1,793</b>	1,040	(6)	1,034

Movements in the impairment allowance for trade receivables and contract assets are as follows:

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Opening provision for impairment of trade receivables and contract assets	6	7
Recovered provided debt	(5)	(4)
Increase during the period	5	5
Write off of provided debt	(1)	(2)
Carried forward	<b>5</b>	<b>6</b>

## 20. Cash and cash equivalents

Included in Cash and cash equivalents is a balance of £8.3m (28 June 2024: £8.1m) relating to advance payments received from WineBank customers. The corresponding creditor to customers is included in contract liabilities.

£5.4m of the cash balance is held on 95 day notice (2024: £5.1m) at preferential interest rates between 4.3% and 4.4% (28 June 2024: 5.4%).

## 21. Trade and other payables

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Trade payables	2,511	2,398
Taxation and social security	2,458	1,675
Contract liabilities	8,876	8,703
Accruals and other creditors	2,029	1,649
	<b>15,874</b>	<b>14,425</b>

The Directors consider the fair value of creditors to be equal to the book value given their short term nature.

## 22. Provisions

### Leasehold dilapidation provision

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Brought forward	367	321
Charged in income statement	46	46
Carried forward	<b>413</b>	<b>367</b>

Leasehold dilapidations relate to the estimated cost of returning a leasehold property to its original state at the end of the lease as a result of general 'wear and tear'. The cost is recognised as an expense in the Consolidated Statement of Comprehensive Income and accrued for over the term of the lease, on the basis that the 'wear and tear' increases over the period of the lease. The main uncertainty relates to estimating the cost that will be incurred at the end of the lease.

### Maturity analysis for provisions

Dilapidation provisions are expected to mature at the end of the lease term as follows:

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
October 2026	292	271

August 2030	121	96
	413	367

### 23. Financial instruments and financial risk management

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- trade and other receivables;
- cash and cash equivalents;
- trade and other payables; and
- lease liabilities.

The existence of these financial instruments exposes the Group to the following financial risks:

- credit risk;
- liquidity risk;
- foreign currency risk; and
- capital management.

The Group's financial instruments may be analysed as follows:

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Trade and other receivables	1,858	1,161
Cash and cash equivalents	17,579	18,370
Financial assets measured at amortised cost	<b>19,437</b>	19,531

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Derivative financial liabilities measured at fair value through profit or loss	(6)	(3)
Financial liabilities measured at fair value through comprehensive income	<b>(6)</b>	(3)

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Trade and other payables, excluding non-financial liabilities	(4,540)	(4,047)
Lease liabilities	(2,193)	(2,732)
Financial liabilities measured at amortised cost	<b>(6,733)</b>	(6,779)

Financial assets which are debt measured at amortised cost comprise trade receivables, other debtors and cash and cash equivalents.

Financial assets measured at fair value through comprehensive income represent the Group's derivative financial instruments, being foreign exchange forward contracts.

Financial liabilities measured at amortised cost comprise trade payables, accruals and other creditors, lease liabilities and loans and borrowings.

#### Credit risk

The Group's maximum exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised below:

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
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Financial assets measured at amortised cost	19,437	19,531
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The Group's cash and cash equivalents are all held on deposit with leading international banks and hence the Directors consider the credit risk associated with such balances to be low.

The Group provides credit to customers in the normal course of business. The principal credit risk therefore arises from the Groups trade receivables. In order to manage credit risk the Directors set credit limits for corporate customers based on a combination of payment history, credit references and a financial review of the business. Credit limits are reviewed on a regular basis in conjunction with debtor ageing and payment history. Historic credit losses of the Group have been negligible as referenced in note 19.

Details of the trade receivables impairment policy can be found in note 19.

### Liquidity risk

Liquidity risk arises from the Group's management of working capital and the amount of funding required for growth. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group manages its cash and borrowing requirements through preparation of annual cash flow forecasts reflecting known commitments and anticipated projects in order to maximise interest income and minimise interest expense, whilst ensuring that the Group has sufficient liquid resources to meet the operating needs of the Group. Borrowing facilities are arranged as necessary to finance requirements.

The following table shows the maturities of gross undiscounted cash flows of financial liabilities as at 27 June 2025:

	Carrying amount £'000	Contractual cash flows £'000	<1 year £'000	1-5 years £'000	>5 years £'000
<b>Non-derivative financial liabilities:</b>					
Trade and other payables	4,540	4,540	4,540	–	–
Lease liabilities	2,193	2,534	656	1,527	351
	6,733	7,074	5,196	1,527	351
<b>Derivative financial liabilities:</b>					
Foreign currency forwards					
(Inflow)		(1,717)	(1,717)	–	–
Outflow		1,711	1,711	–	–
	(6)	(6)	(6)	–	–
<b>Total</b>	<b>6,727</b>	<b>7,068</b>	<b>5,190</b>	<b>1,527</b>	<b>351</b>

Contractual maturities of financial liabilities as at 28 June 2024 are as follows:

	Carrying amount £'000	Contractual cash flows £'000	<1 year £'000	1-5 years £'000	>5 years £'000
<b>Non-derivative financial liabilities:</b>					
Trade and other payables	4,047	4,047	4,047	–	–
Lease liabilities	2,732	3,197	667	1,804	726
	6,779	7,244	4,714	1,804	726
<b>Derivative financial liabilities:</b>					
Foreign currency forwards					
(Inflow)		(1,568)	(1,568)	–	–
Outflow		1,565	1,565	–	–
	(3)	(3)	(3)	–	–
<b>Total</b>	<b>6,776</b>	<b>7,241</b>	<b>4,711</b>	<b>1,804</b>	<b>726</b>

## Foreign currency risk

Foreign exchange risk is the risk that movements in exchange rates affect the profitability of the business. The Group purchases goods from overseas suppliers and is invoiced in currencies other than GBP. It is therefore exposed to movements in the GBP exchange rate against the currencies in which suppliers invoice the Group. The Group monitors exchange rate movements closely and ensures adequate funds are maintained in appropriate currencies to meet known liabilities.

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 27 June 2025, the outstanding contracts all mature within 6 months (2024: 6 months) of the period end. The Group is committed to buy Euro and Australian Dollars (2024: Euro and Australian dollars) with a Sterling value of £1.72m (2024: £1.57m).

The forward currency contracts are measured at fair value, by reference to the spot rate. This is a level 1 valuation in that the spot rate is a directly observable input.

The Group's exposure to foreign currency risk at the end of the respective reporting period (after the effect of forward contracts disclosed above) was as follows:

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
AUS	1	–
Total	1	–

Liabilities include the monetary assets and liabilities of subsidiaries denominated in foreign currency.

The Group is exposed to foreign currency risk on the relationship between the functional currencies of Group companies and the other currencies in which the Group's material assets and liabilities are denominated. The table below summarises the effect on reserves had the functional currencies of the Group weakened or strengthened against these other currencies, with all other variables held constant.

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Loss on 10% strengthening of functional currency	(87)	(75)
Gain on 10% weakening of functional currency	106	91

## Capital risk management

The Group's capital management objectives are:

- to ensure the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- to provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

To meet these objectives, the Group reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Group.

The capital structure of the Group consists of shareholders' equity as set out in the Consolidated Statement of Changes in Equity. All working capital requirements are financed from existing cash resources.

	<b>27 June 2025 £'000</b>	28 June 2024 £'000
Cash net of lease liabilities (note 25)	15,386	15,638
Equity	22,620	23,320

## 24. Share capital

	27 June 2025 £'000	28 June 2024 £'000
Authorised, allotted, called up and fully paid		
55,972,405 (2024: 55,972,405) ordinary shares of £0.01 each	560	560

On 2 March 2021 the Group underwent a reorganisation in which Virgin Wines UK plc became the ultimate parent undertaking of the Group. As part of the reorganisation 6,615,413 new Ordinary Shares of £0.01 each were created.

The new shares were fully paid and will rank pari passu in all respects with the existing Ordinary Shares, including the right to receive all dividends and other distributions. £0.98m of costs in relation to the issue of new shares have been charged to the share premium account.

During the year no (2024: 134,845) Ordinary Shares of £0.01 were issued by Virgin Wines UK plc.

During the year Virgin Wines UK plc acquired 4,112,651 (2024: 310,735) of its Ordinary Shares of £0.01 for £1,968,476 (2024: £149,547). At 27 June 2025 4,257,254 ordinary shares of £0.01 (2024: 310,735) were held in treasury within the Group.

The Directors have not approved and interim dividend and do not recommend the payment of a final dividend (2024: nil).

## 25. Analysis and reconciliation of cash net of lease liabilities

This section sets out an analysis of the movements in net cash, which includes cash and cash equivalents and liabilities arising from financing activities.

	1 July 2023 £'000	New leases £'000	Other non- cash changes £'000	Cashflow £'000	28 June 2024 £'000
Cash at bank and in hand	13,514	–	–	4,856	18,370
Lease liabilities	(3,253)	–	(154)	675	(2,732)
<b>Cash net of lease liabilities</b>	<b>10,261</b>	<b>–</b>	<b>(154)</b>	<b>5,531</b>	<b>15,638</b>
<b>Decrease in cash in the period</b>					4,856
Lease interest					(154)
Lease payments					675
Movement in cash net of lease liabilities in the period					5,377
Cash net of lease liabilities at 1 July 2023					10,261
At 28 June 2024					15,638

	29 June 2024 £'000	New leases £'000	Other non- cash changes £'000	Cashflow £'000	27 June 2025 £'000
Cash at bank and in hand	18,370	–	–	(791)	17,579
Lease liabilities	(2,732)	–	(129)	668	(2,193)
<b>Cash net of lease liabilities</b>	<b>15,638</b>	<b>–</b>	<b>(129)</b>	<b>(123)</b>	<b>15,386</b>
<b>Decrease in cash in the period</b>					(791)
Lease interest					(129)
Lease payments					668
Movement in cash net of lease liabilities in the period					(252)
Cash net of lease liabilities at 28 June 2024					15,638

**26. Related Party disclosures**

During the period ended 27 June 2025, sales of £839,500 (2024: £756,770) were made by Virgin Wines UK plc to Virgin Wine Online Limited. These have been eliminated on consolidation.

Balances between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation. Details of remuneration of key management personnel can be found in note 7.

During the period the Group paid £47,198 (2024: £46,948) in monitoring fees and expenses to Gresham House Asset Management Limited. At 27 June 2025 a nil balance (2024: £3,900) was due to Gresham House Asset management Limited. Gresham House Asset Management Limited has significant control over the Group by virtue of their appointment of a board member.

During the period sales of £28,668 (2024: £22,803) were made to LKB Enterprises Limited. At 27 June 2025 £9,636 (2024: £3,715) remaining outstanding from LKB Enterprises Limited, a company in which Virgin Wines UK plc's CEO's wife has significant control.

**27. Ultimate parent undertaking**

In the opinion of the directors, there is no single controlling party.

**28. Events after the end of the reporting period**

There have been no matters arising after the balance sheet date that would require disclosure in the financial statements.

**29. Capital commitments and contingent liabilities**

There are no capital commitments and no contingent liabilities not provided for in the financial statements for the period ended and as at 27 June 2025 or 28 June 2024.

The Group has a bank guarantee in place of £0.1m in relation to the operation of its bonded warehouses.

**30. Nature of each reserve***Share premium*

Amount subscribed for share capital in excess of nominal value.

*Own shares reserve*

Nominal value of shares held in treasury.

*Merger reserve*

The difference between the nominal value of shares issued in exchange for the book value of assets acquired.

*Share-based payment reserve*

The movements on share based payments.

*Retained earnings*

All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.