RNS Number : 1422C
Virgin Wines UK PLC
26 March 2025

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

Interim Results

Resilient first-half performance underpinned by 9% growth over the important Christmas trading period and launch of a 5-year strategic Growth Plan to drive future shareholder value

Virgin Wines UK plc (AIM: VINO), one of the UK's largest direct-to-consumer online wine retailers, is pleased to announce its unaudited interim results for the six months ended 27 December 2024 (the "Period").

Financial highlights

- Total revenue of £34.1 million[1] (H1 2024: £34.3m)
- Strong profitability driven by operational efficiency, with PBT up 20% to £1.3m (H1 2024: £1.1m) while EBITDA remained in line at £1.6m
- Strong balance sheet, with no debt, £23.7m of gross cash and net cash[2] of £17.3m, an increase of 57% year-on-year (H1 2024: £11.0m)

Strategic highlights

- Strong Christmas trading performance
  - Revenue up 6.7% in the six weeks to 27 December 2024 to £13.5m with the December period up 9% year-on-year delivering record sales for a single month outside the covid affected period
- Active and loyal customer base, with a continued focus on high-quality customer acquisition
  - Leveraging the underlying strengths of the operating model and a continued focus on strategic marketing and promotional activity to drive loyalty and growth
  - New customer acquisition for the Group up 29% in the Period and by 25% during December 2024
  - 12-month rolling cancellation rate of WineBank, the Group's main subscription offering, at an all-time low of 14.9%
- Operational efficiencies reinforce position as the lowest cost to serve
  - Cost per case reduced by 10.1% during the Period, and by 5.4% in December, despite the 10% increase in the National Living Wage and cost pressure on paper and energy affecting packaging and courier costs
  - Warehouse Management System (WMS) continues to drive further efficiency benefits, with the Company's award-winning Customer Service team rated 'Excellent' on Trustpilot
- New Warehouse Wines brand proposition delivered encouraging growth
  - Warehouse Wines ended the Period with 17,600 customers and has generated £1 million of revenue in the half year to end Dec 2024
  - The Company is encouraged with the progress made and has invested in its customer acquisition and marketing while leveraging the core operational infrastructure of the Group
- Continued high growth in the Commercial channel
  - Year-on-year revenue up 17% during the Period, and 32% in December
  - The Company is expanding its partnership with Moonpig[3] following an agreement for Virgin Wines to manage the growth of their alcohol category
  - Strategic partnership with Ocado launched in October delivering positive early results, with further partnership opportunities in the pipeline

Strategic Growth Plan and Capital Allocation Policy

- As stated separately this morning, Virgin Wines has announced a strategic growth plan focusing on four key areas: customer acquisition, commercial partnerships, Warehouse Wines and the development of a mobile app, projecting revenues to increase to £100 million over the duration of the plan. The announcement also sets out the Group's capital allocation policy

Current trading and outlook

- Second half trading has started positively, and our product offering continues to resonate with our customer base

- The acceleration in new customer acquisitions seen in H1 2025, coupled with the resilience of trading, our position on being the lowest cost to serve direct-to-consumer online wine retailer and the strength of the Group's balance sheet provides the Board with confidence to implement an ambitious 5-year Strategic Growth Plan.

- Post-period end, the Company was pleased to announce the appointment of Amanda Cherry to the Board as Chief Financial Officer in a planned transition as Graeme Weir enjoys a well-earned retirement. Amanda will work alongside Jay Wright and the executive team to deliver the next phase of growth

(1) *Continued to increase market share and* outperformed the online drinks market
(2) *Net cash of £17.3m is total cash of* £23.7m *less Wine Bank customer deposits of £6.4m.* The business remains debt free with customer deposits held in a separate ring-fenced account
(3) *Both teams continue to work closely, with new developments expected to be announced in due course*

Jay Wright, Chief Executive Officer at Virgin Wines, commented:

"I am pleased to report a positive first-half performance, with the business delivering encouraging results, particularly during the peak Christmas trading season.

Our strategy of acquiring high quality customers at an industry-leading low cost per recruit, while maximising the quality and value of our wines through our unique open-source buying model, continues to position us well to navigate market headwinds.

We have introduced a number of new strategic initiatives to diversify our offering and enable us to appeal to as many potential customers as possible. Our Warehouse Wines value proposition continues to deliver positive results, while our Vineyard Collection range and the premium Australian Five O'clock Somewhere Wine Club showcase the unquestioned expertise of our Buying Team alongside our network of winemakers around the world.

We continue to work with a large range of partners to deliver increased numbers of new customers whilst strengthening our relationship with key commercial partners such as Moonpig and Ocado

Today we also announced our Growth Plan and Capital Allocation Plan. This is an ambitious and transformational change in our business strategy and investment case, which we are excited to implement over the coming years.

Virgin Wines has a unique and differentiated low-cost business model*, a loyal and active customer base and a highly experienced team that has consistently delivered industry leading results. We are confident that the Company will execute the new Growth Plan announced today and deliver increased value for shareholders."*

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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

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 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, the majority of whom are on one of the Group's subscription schemes.

The Company drives the majority of its revenue though its fast-growing WineBank service, that has over 137k members, using a variety of marketing channels, as well as through its 30 strong Wine Advisor team, its Wine Plan channel and its Pay As You Go service.

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, was named Online Drinks Retailer of the Year for 2022 at the Drinks Retailing Awards, as well as receiving the bronze award for Contact Centre of the Year at the 2022 UK National Contact Centre Awards. In addition, in 2023 the Group's Head of Buying, Sophie Lord, was named Buyer of the Year by Decanter magazine.

https://www.virginwinesplc.co.uk

Chief Executive Officer's Statement

Business overview

Overall, we are pleased with our performance during the first half of the financial year on the back of an excellent and highly encouraging Christmas trading period with many notable highlights. The creditable performance was underpinned by a number of strategic initiatives to grow the customer base and optimise customer acquisition, as well as strategic marketing and focused promotional activity. This resulted in a 25% year-on-year increase in new recruits during December.

This has laid the foundation and acted as a test period for our next phase of investment and growth.

In conjunction with these results, we have also today released details of a new 5-year Growth Strategy and Capital Allocation Plan devised with the objective of propelling annualised revenue to at least £100m at the end of that period and with a commensurate improvement in profitability. Further details can be found in a separate RNS announcement released this morning.

Trading Overview

I am pleased to report that we have delivered a positive H1 2025 performance in spite of a challenging market environment, which included a particularly strong Christmas trading period. As a critical time of year for the Group, this is naturally very pleasing and demonstrates that our product offering clearly resonates with our customers. Revenue during December was up 9% year-on-year, achieving the highest sales period ever for the business outside the Covid affected years. During the 6 weeks to 27th December, revenue increased by 6.7% year-on-year.

The lower customer base at the start of the year led to an expected fall in year-on-year revenue during Q1 2025. However, the positive Christmas trading period led to revenue being broadly in line with the same period last year at £34.1m during the first half (H1 2024 £34.3m). This represents a significant outperformance against the UK online drinks market that has seen revenue decline by 5% over the past year*.

Despite a highly inflationary environment and significant cost pressures, EBITDA remained stable at £1.6m, whilst PBT rose 20% year-on-year to £1.3m, supported by the additional interest generated from our healthy cash position.

Our constant drive to be the lowest cost to serve in the sector continued to deliver a significant out-turn, and I am therefore delighted to report a 10.1% reduction in operating variable costs compared to H1 2024. Increases in both productivity and efficiency ensured all five elements that make up our operating variable cost line reduced. This is despite a substantial increase in the National Living Wage that affected costs within both our warehouse and customer service teams, alongside the continued inflationary pressure we are incurring on energy and paper.

We saw positive trends in several areas, including a 29% increase year-on-year in new customers acquired across the business in H1, enhanced loyalty from our 137k strong WineBank members and continued growth in our Commercial business.

Our recently launched Warehouse Wines value proposition also performed encouragingly, delivering £1m of revenue in H1 2025, and the continued implementation of our brand refresh has contributed up to a 50% increase in the conversion rate of our customer acquisition journey.

The business continues to be cash generative and debt free, with net cash at the period end of £17.3m, as well as a further £6.4m of customer WineBank deposits which are held in a separate ring-fenced account. This strong cash position, coupled with encouraging developments in several key trading areas, gives the business the confidence to invest more aggressively in growth.

Today, alongside our Interim Results, we are delighted to release our 5 Year Growth Strategy and Capital Allocation Plan. The Board and management team are greatly enthused by this strategy and we are confident it will deliver meaningful shareholder returns over the medium term.

**Source: IMRG Online Retail Sales Tracker December '24*

Customer Acquisition

Expanding the number of new customers acquired across the Group has been a key priority and we were pleased that, by developing an increased number of propositions, introducing new offer mechanics, alongside better on-site conversion, we were able to deliver a 29% increase in new customers acquired year-on-year.

Despite this significant increase, the cost per recruit decreased modestly to £14.92 (£15.75 H1 2024) with the total marketing spend invested increasing by 23% year-on-year against a 29% increase in recruits. We maintain a disciplined model to customer recruitment, which positions us well to deliver profitable growth over the next five years.

Continuing to drive higher numbers of new customers remains a key strategic imperative and is an area where we are planning to be more ambitious while continuing to prioritise return on investment and lifetime value.

Strong retention from a loyal customer base

WineBank membership increased to 137k, up 2% year on year. This is a result of both the positive customer acquisition activity and the loyalty of existing members. The 12-month rolling cancellation rate hit an all-time low of just 14.9%, down from 16.8% the previous year and 17.8% in Dec '22.

Our customer retention rate, which measures the amount of revenue from customers that purchased the previous year, has improved to 84% from 81% last year and our sales retention rate stands at 90%, a testament to the ongoing loyalty of our customers and the value they receive from our award-winning customer service and exclusive portfolio of wines.

We continue to utilise a selection of sales channels to interact with our customers with revenue generated through email, SMS, web and our 30 Wine Advisors all being strong contributors.
Our customers continue to rate our wines highly, with the full portfolio averaging 4.2 out of 5 and our Trustpilot rating has increased to 4.5 out of 5 over the past year with our business rated 'Excellent' from over 24k reviews.

Our loyal customer base positions us well to mitigate market pressures and we look forward to building on this strong foundation as we execute our new Growth Strategy.

Growing our Commercial channel

Our Commercial business continues to go from strength to strength, delivering 17% year-on-year growth, and offers exciting growth prospects for the future. We are delighted to have secured an exciting partnership with Ocado where an initial selection of 55 different wines are available to purchase by the bottle. 17k bottles were sold through the partnership over Q2 2025, with both parties being encouraged by the initial results and looking forward to developing the partnership further.

Similarly, our relationship with Moonpig continues to deepen, with both parties having recently agreed for Virgin

Similarly, our relationship with Moonpig continues to deepen, with both parties having recently agreed for Virgin Wines to manage the full alcohol category within Moonpig, which should lead to a significantly increased range, and volume of sales, through our joint efforts.

With a number of further opportunities in the pipeline, a first class corporate sales team in place, sales through corporate gifting remaining strong over the Christmas period and our existing train supply partnerships renewed, we see the development of our Commercial channel as a major growth driver, as set out in our separate Growth Strategy announcement today.

Warehouse Wines

We continue to be encouraged by the early growth of our value proposition, Warehouse Wines. The brand is designed to target the supermarket buyer who is looking for everyday low prices, without a subscription scheme, delivery to their door and providing the superior value a wine specialist can bring. With 25 years' experience in sourcing and blending outstanding wines from across the globe, we can deliver quality/value ratios that far exceed those available from mass branded products. With sales of £1m in H1 2025 and entirely positive customer feedback, we are on course to reach our first-year objectives and see substantial opportunities for future growth to deliver circa 10% of Group revenue.

Current trading and Outlook

The business has traded in line with market expectations, which included the strong trading performance in Q2 and particularly the key peak trading period over Christmas. We trialled a number of exciting initiatives during the Christmas period, which gives us confidence in future initiatives and investment, and we look forward to implementing these on a permanent basis.

In March, we were delighted to be named Online Wine Retailer of the Year at the 2025 People's Choice Wine Awards. The award is unique in the sector as it's voted for by wine consumers rather than industry judges and is therefore further evidence that Virgin Wines is connecting with, and delighting, wine enthusiasts across the UK.

The Board has taken the opportunity over recent months to review the short to medium term strategic direction of the business and has concluded that, in order to deliver future shareholder value, the Group's strong cash reserves should be used to accelerate the growth of the business by investing in a number of key growth drivers. Furthermore, funds will be used to generate shareholder returns via the introduction of a share buyback programme as approved by shareholders at the recent General Meeting. The investment to drive top line revenue growth is necessary to enable the future success of the Group. The additional investment being made will naturally have a short-term impact on profitability, however, given the strength of the balance sheet, alongside the operational and cost discipline demonstrated over many years, the Board has confidence to pursue this strategy and the next phase of growth.

The current trading environment is not without its challenges. In February, the Group saw the most significant adjustment to the duty regime ever, which has increased the tax paid on a bottle of wine by up to 54p depending on the alcohol by volume of the product. In addition, the administrative burden on managing duty has also significantly increased. However, we are mitigating the impact of this, partly through pricing but also in the short term by pre-paying the duty on as much stock as possible prior to the adjustment, again demonstrating the benefits of a strong balance sheet.

The sector is also set to be subjected to the new Extended Producer Responsibility (EPR) tax which we believe will add around £900k per annum of additional year-on-year costs alone. This would equate to a minimum of another 10p to the cost price of each bottle if added to the cost of sales. EPR is a policy that requires businesses to pay for the environmental impact of their products and packaging. This includes the cost of recycling, collecting, and disposing of packaging. EPR is intended to reduce the amount of packaging waste and its environmental impact. Business will be liable to pay EPR fees based on the amount of packaging they put into the market.

It is therefore vital the business continues to scale to drive cost efficiencies, increased productivity and economies of scale. We are confident our new 5 Year Growth Strategy will deliver such improvements.

This is an exciting time for Virgin Wines and the whole team is highly motivated to deliver our new Growth Strategy, which is expected to deliver increased revenue growth, enhanced long-term profitability and create incremental shareholder value.

FINANCIAL REVIEW

Profit before tax

Against a backdrop of economic uncertainty Profit before tax increased by 20% to £1.3m (H1 2024: £1.1m). This reflected the continued stability of the unique business model including the loyalty of the active customer base, disciplined cost management and strong working capital controls generating free cash. This discipline has always been a feature of the business and one that will continue, notwithstanding the new strategy around investment and driving customer acquisition harder.

Revenue

Group revenue was broadly in line at £34.1m (H1 2024: £34.3m). This was supported by an improved performance in Q2 which saw year on year revenue improve by 2.1%.

Gross profit

Reported Gross Profit margin decreased by 1.4% to 29.7% (H1 2024: 31.1%). This was the result of a more proactive and determined approach to new customer acquisition in terms of strength of offers and the trialling of new customer acquisition formats. Reported Gross Profit margin includes the cost of wine, duty, packaging and delivery costs.

EBITDA

EBITDA was unchanged at £1.6m, (H1 2024: £1.6m) despite a highly inflationary environment and significant cost pressures, which were mitigated by a 10.1% reduction in operating variable costs compared to H1 2024.

Share based payments

The Group provided for a share-based payment expense of £34k (H1 2024: £137k) relating to the share based long-term incentive plan for the leadership team.

Finance income

Finance income improved to £372k (H1 2024: £161k) frombank interest earned on cash balances. The improvement is due to strong working capital controls, in particular ensuring inventory levels are appropriate for the scale of the operation.

Finance expenses

Finance expenses of £68k (H1 2024: £80k) relates to the interest charge for Right of Use Assets. The Group has no borrowings so there are no expenses relating to servicing overdrafts or loans.

Earnings per share

Earnings per share increased to 1.6p from 1.4p in H1 2024 due to the increase in Group Profit. Diluted earnings per share were 1.6p (H1 2024: 1.4p).

Dividend

The Board is not recommending the payment of an interim dividend, but it will keep the Group's dividend policy under review as part of the decision-making process around capital allocation and the growth strategy announced separately.

Foreign currency

All Group income is derived from UK activity and denominated in GBP. The Group purchases supplies, mainly wine, from the global market predominantly in Euros, US Dollars and Australian Dollars. The Group hedges its foreign currency purchases to provide clarity on future cost prices.

Inventory

Inventory

Closing Inventory was £6.5m, 22% or £1.9m lower than December 2023 (H1 2024: £8.4m). We continue to monitor the wine range and supply chain to ensure we optimise the carrying value of inventories.

Cash

Gross cash at the period end was £23.7m, an increase on H1 2024 which was £17.4m. The net cash in hand excluding WineBank deposits was up £6.3m to a healthy £17.3m, H1 2024: £11.0m. WineBank deposits remain unchanged at £6.4m, H1 2024: £6.4m. The WineBank deposits are ring fenced and are not used to fund stock purchases or working capital.

Jay Wright
Chief Executive Officer
26 March 2025

Condensed consolidated statement of comprehensive income

	Note	Unaudited 27 December 2024 £'000	Unaudited 29 December 2023 £'000
Revenue		**34,084**	34,286
Cost of sales		**(23,962)**	(23,632)
Gross profit		**10,122**	10,654
Operating expenses		**(9,153)**	(9,678)
Operating profit	3	**969**	976
Finance income	5	**372**	161
Finance costs	6	**(68)**	(80)
Profit before taxation		**1,273**	1,057
Taxation		**(352)**	(256)
Profit for the financial period and total comprehensive income		**921**	801
Basic earnings per share (pence)	7	**1.6**	**1.4**
Diluted earnings per share (pence)	7	**1.5**	**1.4**

Condensed consolidated statement of financial position

	Note	*Unaudited* 27 December 2024 £'000	*Unaudited* 29 December 2023 £'000	*Audited* 28 June 2024 £'000
ASSETS				
Non-current assets				
Intangible assets	8	11,067	11,145	11,159
Property, plant and equipment	9	133	306	202
Right of use assets	10	2,120	2,620	2,370
Deferred tax asset		28	240	194
Total Non-current assets		13,348	14,311	13,925
Current assets				
Inventories		6,517	8,400	5,868
Trade and other receivables	11	2,656	2,689	2,684

Trade and other receivables	11	[illegible]	[illegible]	[illegible]
Derivative financial instruments		11	6	-
Cash and cash equivalents		23,661	17,412	18,370
Total current assets		32,845	28,507	26,922
Total assets		46,193	42,818	40,847
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	12	(19,067)	(16,718)	(14,425)
Derivative financial instruments		-	-	(3)
Lease liability		(544)	(534)	(539)
Loans and borrowings		-	-	-
Total current liabilities		(19,611)	(17,252)	(14,967)
Non-current liabilities				
Provisions		(390)	(344)	(367)
Lease liability		(1,917)	(2,462)	(2,193)
Total non-current liabilities		(2,307)	(2,806)	(2,560)
Total liabilities		(21,918)	(20,058)	(17,527)
Net assets		24,275	22,760	23,320
Equity				
Share capital	13	560	558	560
Share premium		11,989	11,989	11,989
Own share reserve		(3)	-	(3)
Merger reserve		65	65	65
Other reserve		586	539	552
Retained earnings		11,078	9,609	10,157
Total Equity		24,275	22,760	23,320

Condensed consolidated statement of changes in equity

	Called up share capital	Share premium	Own share reserve	Merger reserve	Other reserve	Retained earnings	Total Shareholders' funds
	£'000	£'000	£'000	£'000		£'000	£'000
1 July 2023	558	11,989	-	65	402	8,808	21,822
Profit for the financial year	-	-	-	-	-	801	801
Share-based payments	-	-	-	-	137	-	137
29 December 2023 unaudited	558	11,989	-	65	539	539	22,760
29 June 2024	560	11,989	(3)	65	552	10,157	23,320
Profit for the financial year	-	-	-	-	-	921	921
Share-based payments	-	-	-	-	34	-	34
27 December 2024 unaudited	560	11,989	(3)	65	586	11,078	24,275

Condensed consolidated statement of cash flows

	Unaudited	*Unaudited*
	27 December 2024	**29 December 2023**

	£'000	£'000
Cash flows from operating activities		
Profit before taxation	1,273	1,057
Adjustments for:		
Depreciation and amortisation	643	642
Net finance costs	(304)	(81)
Share-based payment	34	137
Decrease/(increase) in trade and other receivables	43	(80)
Increase in inventories	(649)	(33)
(Decrease)/increase in trade and other payables	4,449	2,522
Net cash (used in)/generated from operating activities	5,489	4,164
Cash flows from investing activities		
Interest received	372	161
Purchase of intangible and tangible fixed assets	(232)	(90)
Net cash used in investing activities	140	71
Cash flows from financing activities		
Payment of lease liabilities	(270)	(257)
Payment of lease interest	(68)	(80)
Net cash used in financing activities	(338)	(337)
Net (decrease)/increase in cash and cash equivalents	5,291	3,898
Cash and cash equivalents at beginning of period	18,370	13,514
Cash and cash equivalents at end of period	23,661	17,412
	5,291	3,898

Notes to the interim financial information

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, Ribbleton, Preston, Lancashire, United Kingdom, PR2 5BD. The registered company number is 13169238.

2. Significant accounting policies

Basis of preparation

The consolidated interim financial information of the Virgin Wines UK Plc group have been prepared in accordance with the principal accounting policies used in the Group's consolidated financial statements for the year ended 28 June 2024. These interim financial statements should be read in conjunction with those consolidated financial statements, which have been prepared in accordance with the international accounting standards in conformity with the requirements of the Companies Act 2006.

These interim financial statements do not fully comply with IAS 34 'Interim Financial Reporting', as is currently permissible under the rules of AIM.

Historical cost convention

The interim financial information has 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.

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 Chief Executives Statement, which also describes the financial position of the Group.

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 reasonably possible changes 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.

Goodwill

Goodwill is not amortised but is reviewed annually for impairment. 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 the present value. The value in use is then compared to the total of the relevant assets and liabilities of the CGU.

CGU.

3. Operating profit

Operating profit is stated after charging/(crediting):

	Unaudited **27 December 2024 £'000**	***Unaudited*** **29 December 2023 £'000**
Inventory charged to cost of sales	**22,144**	21,575
Amortisation of intangible asssets (note 8)	**299**	272
Depreciation of property, plant and equipment (note 9)	**94**	120
Depreciation of right of use asset (note 10)	**250**	250
Net exchange gains (including movements on fair value through profit and loss derivatives)	**(32)**	(22)
Movement in inventory provision	**(9)**	(38)

4. Share-based payments

In the period ended 27 December 2024 the Group operated an equity-settled share-based payment plan as described below.

The charge in the period attributed to the plan was £34k (2023: £137k).

Under the Virgin Wines UK Plc Long-Term Incentive Plan, the Group gives awards 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 year 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'.

	Unaudited 27 December 2024 Number of Shares	**Unaudited 29 December 2023 Number of Shares**
Outstanding at start of period	4,189,777	2,811,645
Granted during the period	-	-
Outstanding at end of period	4,189,777	2,811,645

The Company granted its first share options on 23 June 2021. Further share options were granted on 6 December 2021, 6 December 2022 and 30 April 2024.

The awards outstanding at 27 December 2024 have a weighted average remaining contractual life of 8.6 years (2023: 8.7 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.

5. Finance income

	Unaudited 27 December 2024 £'000	**Unaudited 29 December 2023** £'000
Bank interest	372	161

6. Finance costs

	Unaudited	*Unaudited*
	27 December 2024	**29 December 2023**
	£'000	**£'000**
Interest payable for lease liabilities	**68**	80

7. 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.

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

Statutory EPS

	Unaudited	**Unaudited**
	27 December 2024	**29 December 2023**
Earnings (£'000)		
Profit after tax	921	801
Earnings for the purpose of basic earnings per share	921	801
Number of shares		
Weighted average number of shares for the purposes of basic earnings per share	55,972,405	55,837,560
Weighted average number of shares for the purposes of diluted earnings per share	60,162,182	58,649,205
Basic earnings per ordinary share (pence)	1.6	1.4
Diluted earnings per ordinary share (pence)	1.5	1.4

8. Intangible assets

	Goodwill	**Software**	Group **Total**
	£'000	**£'000**	**£'000**
Cost			
At 1 July 2023	9,623	3,480	13,103
Additions	-	67	67
29 December 2023 unaudited	9,623	3,547	13,170
At 29 June 2024	9,623	3,872	13,495
Additions	-	207	207
27 December 2024 unaudited	9,623	4,079	13,702
Accumulated amortisation and impairment			
At 1 July 2023	-	1,753	1,753
Amortisation charge	-	272	272
29 December 2023 unaudited	-	2,025	2,025
At 29 June 2024	-	2,336	2,336
Amortisation charge	-	299	299
27 December 2024 unaudited	-	2,635	2,635
Net book value			
At 27 December 2024 unaudited	9,623	1,444	11,067
At 28 June 2024 audited	9,623	1,536	11,159
At 29 December 2023 unaudited	9,623	1,522	11,145

9. Property, plant and equipment

	Leasehold property £'000	Computer hardware & warehouse equipment £'000	Fixtures & fittings £'000	Total £'000
Cost				
At 1 July 2023	20	980	538	1,538
Additions	-	9	15	24
29 December 2023 unaudited	20	989	553	1,562
At 29 June 2024	20	994	552	1,566
Additions	-	25	-	25
27 December 2024 unaudited	**20**	**1,019**	**552**	**1,591**
Accumulated depreciation				
At 1 July 2023	20	750	366	1,136
Charge for the year	-	69	51	120
29 December 2023 unaudited	20	819	417	1,256
At 29 June 2024	20	882	462	1,364
Charge for the period	-	53	41	94
27 December 2024 unaudited	**20**	**935**	**503**	**1,458**
Net book value				
At 27 December 2024 unaudited	**-**	**84**	**49**	133
At 28 June 2024 audited	-	112	90	202
At 29 December 2023 unaudited	-	170	136	306

Depreciation is charged to operating expenses in the profit and loss account.

10. Right of use assets

	Leasehold property £'000	Computer hardware & warehouse equipment £'000	Total £'000
Cost			
At 1 July 2023	5,060	252	5,312
29 December 2023 unaudited	5,060	252	5,312
At 29 June 2024	5,060	252	5,312
27 December 2024 unaudited	5,060	252	5,312
Accumulated depreciation			
At 1 July 2023	2,357	85	2,442
Charge for the period	225	25	250
29 December 2023 unaudited	2,582	110	2,692
At 29 June 2024	2,807	135	2,942
Charge for the period	225	25	250
27 December 2024 unaudited	3,032	160	3,192
Net book value			
At 27 December 2024 unaudited	2,028	92	2,120
At 28 June 2024 audited	2,253	117	2,370
At 29 December 2023 unaudited	2,478	142	2,620

11. Trade and other receivables

	Unaudited 27 December 2024 £'000	*Unaudited* 29 December 2023 £'000	28 June 2024 £'000
Amounts falling due within one year:			
Trade receivables	**1,984**	1,591	1,034
Prepayments	**672**	966	1,523
Other receivables	**-**	132	127
	2,656	2,689	2,684

12. Trade and other payables

	Unaudited 27 December 2024 £'000	*Unaudited* 29 December 2023 £'000	28 June 2024 £'000
Trade payables	**5,975**	4,648	2,398
Taxation and social security	**4,275**	3,119	1,675
Contract liabilities	**6,908**	6,548	8,703
Accruals and other creditors	**1,909**	2,403	1,649
	19,067	16,718	14,425

13. Share capital

	Unaudited 27 December 2024 £'000	*Unaudited* 29 December 2023 £'000	28 June 2024 £'000
Authorised, Allotted, called up and fully paid			
55,972,405 (2023: 55,837,560) ordinary shares of £0.01 each	**560**	**558**	**560**