

**Virgin Wine Online Limited**

Report and Financial Statements

Year Ended

1 July 2022

Company Number 03800762

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**Virgin Wine Online Limited**  
**Report and financial statements**  
**for the year ended 1 July 2022**

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**Directors**

Jeremy Simon Wright  
Graeme David Weir

**Secretary**

Graeme David Weir

**Registered office**

Fourth Floor, St. James' Mill, Whitefriars, Norwich, Norfolk NR3 1TN

**Bankers**

Barclays Bank plc, 3 St James Court, Whitefriars, Norwich, NR3 1RJ

**Virgin Wine Online Limited**  
**Strategic report**  
**for the year ended 1 July 2022**

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The Directors submit their strategic report and audited financial statements for the year ended 1 July 2022.

**Review of the business and position at the year-end**

The profit and loss account for the year is set out on page 9.

**Business review**

We are pleased that we have retained the vast majority of the exceptional growth we enjoyed during the previous two years, showing that demand for our high-quality, exclusive wines remains strong and loyalty from our customers remains high. Through the rapid growth an unprecedented shift to online purchasing that was the hallmark of the Covid period, through to a return to more normal consumer behaviour and then on to the economic challenges of steep inflation, rising costs, supply chain disruption and war in Ukraine, we have continued to adapt quickly and decisively.

We are pleased that our business remains robust and resilient, and we continue to drive forward on our strategic growth ambitions, making good progress on a number of important initiatives and performing well on many key metrics.

During the year we delivered revenues of £69.2m, a 6% decrease on the prior year but a 63% increase on a three-year basis (FY21: £73.6m, FY19: £42.4m). We also achieved a Profit before tax of £4.7m, (FY21: £5.7m). This compares with FY20: £3.2m which is a more meaningful comparison based on normalised pre-Covid trading patterns.

The Company end of year cash balance for FY22 was £15.1m (FY21: £15.7m). These balances include cash deposits from WineBank customers of FY22 £7.4m (FY21: £7.3m). This cash is not used to fund working capital and is kept in a ring fenced client account separate from Company cash.

**Key Performance indicators**

**Revenue**

Reported revenue for FY22 was £69.2m down £4.4m 6% (FY21: £73.6m). The WineBank customers continued to perform well with annual revenue from this base up 21%. After the sharp growth over FY20 and FY21 revenue from new customer acquisition and gifting, both dropped back in FY22 by £2.0m and £1.7m respectively. After posting an exceptionally strong performance in FY21, Commercial revenues were also down slightly by £0.5m. Total revenue remained 63% above FY19 levels, the last full year without a Covid impact. Core sales proved resilient down less than 1% on FY21 at £54m.

**Gross Margin**

Despite the impact of inflation on inbound freight, packaging and delivery costs, average gross profit as a percentage of revenue held firm; FY22: 31.4%, FY21: 31.6% and FY20: 30.3%. Good margin discipline in the repeat sales channels enabled the business to invest more in new customer acquisition margins without any material impact on the overall gross margin percentage. Gross profit in these financial statements is stated as revenue less wine cost, packaging and carrier delivery costs. UK Duty, inbound packaging and freight costs are included in the wine cost.

**Subscription schemes**

The success of our business continues to be strongly supported by the popularity of our wide range of subscription schemes on offer, which give our loyal customers a number of ways to purchase their favourite wines from us, as well as continuing to attract new customers. The ever-growing demand for both our WineBank and Wine Plan subscription schemes is shown through the revenue contribution of 81% of DTC sales achieved in FY22, compared to 67% in FY21, and our conversion rate of new customers onto our subscription schemes remains high at 53%.

**Virgin Wine Online Limited**  
**Strategic report**  
**for the year ended 1 July 2022 (continued)**

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**A focus on sustainability**

In addition to providing our customers with quality wines, and creating a high performing business, we understand that it is our responsibility to have a positive impact on our planet. Both the Board of Directors and our Senior Management are committed to achieving our ESG ambition of being a leader in creating a positive impact on the environment and our communities within the drinks industry.

**Business outlook**

Looking ahead, we expect many of the challenges seen through 2022 to continue into 2023 as cost inflation holds at significantly high levels whilst supply chain disruption is still yet to normalise. We understand that there will continue to be pressure on consumers' disposable income and as such are mindful of the potential impact on frequency of order and average order values.

**Principal risks and uncertainties**

The Board is ultimately responsible for identifying key risks, appraising the likelihood of occurrence and the potential impact on the business. In so doing the Board continually reviews and evolves the framework for appraising risk and the mitigating actions in place to minimise the impact.

**Changes in consumer preferences and increased competition**

Consumer preferences and spending habits may change due a number of factors including lifestyle, health considerations and attitude towards online shopping resulting in reduced demand for the Company's products and services or increase business complexity and operational costs. The Company has a robust and resilient business model that evolves in line with consumer feedback and changing trends.

**Macroeconomic changes**

Worsening economic outlook in the UK and global supply issues driving up inflationary pressures and impacting consumer discretionary spend. The Board manages credit risk to ensure the Company has adequate resources and liquidity to manage economic shocks beyond our control.

**Climate change**

Wine is an agricultural product and the quality and yield of harvests may be materially impacted. Adverse weather conditions may also interrupt supply chains and order fulfilment. The UK wine market is among the most diverse in the world with popularity for both New World and Old World wines. Our wine sourcing model allows the Company to move between countries and regions to find the highest quality, best value products. Our own initiatives to achieve net zero and work with our supply base to reduce the environmental impact of our operations is a key management focus. Business continuity plans ensure we can manage supply and operational disruption caused by severe weather conditions.

**Increased government regulation**

Proposed new regulations subject to consultation, including online sales tax and deposit return schemes will increase operational complexity resulting in higher costs. The Company will continue to invest in technology and expertise to minimise the impact of extra red tape and support campaigns overseen by the WSTA to ensure new regulations are fair and proportional.

**Global pandemic**

The widespread rollout of vaccines has created a new 'living with Covid' approach. There remains the risk of new Covid variants or a new virus. The business demonstrated the ability to operate successfully during periods of Covid lockdown by enabling all office based staff to work effectively from home and the adoption of new safe working regimes within the national distribution centres.

**Virgin Wine Online Limited**  
**Strategic report**  
**for the year ended 1 July 2022 (continued)**

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**Cyber security threats**

Cyber attacks leading to unauthorised access to the Company's software and systems, resulting in the potential misappropriation of Company assets or intellectual property, the loss of customer data, the corruption of data or ransomware and denial of service attacks. Security measures are regularly reviewed and updated to prevent unauthorised access to systems. Focus on staff awareness and the engagement of third party expertise to supplement internal resource.

**Changes in taxation**

UK Government proposals to introduce a new alcohol duty regime. This may increase operational complexity and red tape, pushing up the cost and the RRP of higher ABV wines. The consultation issued by UK Gov fails to meet their stated objectives to simplify the duty regime and level up the treatment of different alcoholic products. We continue to work with our industry trade body the WSTA to ensure any changes reflect the stated objectives. Changes will impact all wine retailers the same so will not create a competitive disadvantage.

**Foreign exchange exposure**

The Company purchases the majority of wine from a global network of winemakers and suppliers. As a result the business is exposed to exchange rate risk on purchases primarily in Euros, Australian Dollars and US Dollars. Exchange rate fluctuations could increase the cost of wine driving up retail prices and the affordability of wine and impacting gross margins. The Company hedges its exposure to foreign exchange risk reducing the potential impact of major fluctuations and giving surety of cost prices.

**Failure or reliability of critical IT infrastructure**

Failure of critical operational technology may result in a reduction or loss of operational capabilities impacting customer service levels or increasing operating costs. To mitigate this we continue to focus on system resilience to minimise the number and severity of incidents. Investment in internal resource and external support to ensure systems are robust and scalable.

**Staff recruitment and retention**

Post Covid challenges attracting new and the retention of existing staff impacting the ability to deliver our strategic plans. This could result in a delay of key projects, shortage of expertise to deliver Company plans and increased personnel costs. We mitigate by ensuring we continue to offer competitive salary packages including LTIPs for key management and put staff wellbeing at the centre of everything we do, making Virgin Wines an attractive and rewarding organisation to be part of.

**Virgin Wine Online Limited**  
**Strategic report**  
**for the year ended 1 July 2022 (continued)**

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**Section 172 of the Companies Act 2006 Statement.**

The Board considers the needs and concerns of all stakeholders in its running of the Company.

By seeking to understand the differing stakeholder interests and impacts through a proactive programme of engagement, the Directors ensure that their decision making is informed and that the development and delivery of our strategy leads to long term sustainable success.

This section articulates how, as required by section 172 of the UK Companies Act 2006, the Directors have acted to promote the success of the Company for the benefit of its stakeholders. In meeting this responsibility during the year, the Directors have regard, amongst other matters to:

- The likely consequences of any decision in the long term,
- The interests of the company's employees,
- The need to foster the company's business relationships with suppliers, customers and others,
- The impact of the company's operations on the community and the environment,
- The desirability of the company maintaining a reputation for high standards of business conduct, and;
- The need to act fairly as between members of the company.

The board has identified a number of key stakeholder groups in the business with whom we actively engage and whose feedback forms part of our strategic decision making.

**Our customers:** we collect over 100,000 customer ratings and reviews every year which we use to help shape our range. There is an extensive insight schedule including NPS score tracker every quarter, a 30+ question bi-annual survey and customers are encouraged to review our performance on Trust Pilot. From this customer feedback new carry handled boxes have been trialled, the rules for earning VAA Airmiles and Virgin Red Points changed and new content and layout for gift labelling introduced.

**Our employees:** regular communications from the management team sharing business updates. A weekly internal memo, 'Cork Talk' as well as a monthly internal newsletter, 'Just the Juice', both giving updates on activity and initiatives and including employee generated content. This has resulted in a newly established Employee ESG group involving staff from all departments to feed back what is important to them in all topics surrounding environment, social and governance.

**Our investors:** as we are now part of an AIM listed Group, we have a wider range of investors, both institutional, private and employee. It's important we understand fully the matters that are most important to them in their investment decisions and that these are aligned with our corporate strategies. Activities include investor meetings to create a two way dialogue, investor presentation with retail investors including question and answer sessions and Financial PR to inform and update.

**Our partners and suppliers:** many of our winemakers are small, family owned businesses. We are proud to partner with these businesses to support their growth and help them make a positive impact on their local economies. We regularly review our supplier base and work with our partners to ensure they comply with all relevant local legislation regarding working hours, wages and working conditions.

**Our community:** we have a responsibility to be a force for good within our community. We achieve this through continuous promotion of our responsible drinking campaign 'Drinking is only fun when you don't overdo it', across all communication touchpoints. We continue to support the drinks trade community by partnering with and donating to The Drinks Trust charity and continued for the mental health charity Growing Well.

Approved by the board and signed on its behalf by:



G D Weir  
Director  
23/03//2023

**Virgin Wine Online Limited**  
**Report of the directors**  
**for the year ended 1 July 2022**

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The Directors' submit their report and audited financial statements for the year ended 1 July 2022.

Virgin Wine Online Limited (03800762) is a private limited company incorporated in England and Wales. Its registered office is Fourth Floor, St James' Mill, Whitefriars, Norwich NR3 1TN.

**Principal activities**

The principal activity of the Company during the year was the importing and distribution of wines.

**Results and dividends**

The profit before taxation was £4.7m (2021: £5.7m).

The Board is not recommending a final dividend for the period (2021:£1.65m).

**Audit exemption**

For the year ended 1 July 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies. The Company numbers are consolidated within the holding company, Virgin Wines UK Plc and are filed at Companies House for inspection.

**Future Developments of the Company**

The company will continue to focus on organic growth by increasing the investment in new customer acquisition, and in IT systems development to improve customer experience and grow the Commercial division.

**Directors and their interests**

The Directors who held office during the period and up to the date of approving the financial statements are given below:

J S Wright  
G D Weir

**Directors' Indemnities**

The Company maintained throughout the year, and at the date of the approval of these financial statements, liability insurance for the directors and officers. This is a qualifying third party provision for the purposes of the Companies Act 2006.

**Going concern**

The directors have reasonable expectation that the company has adequate resources to operate for a period of at least 12 months from the date of approval these financial statements. Accordingly, they have adopted the going concern basis in preparing these financial statements.

During the year the Company met its day-to-day working capital requirements through cash generated from operating activities. The Company's forecasts and projections, taking account of a severe but plausible change in trading performance, show that the Company should be able to operate using cash generated from operations, and that no additional borrowing facilities will be required. The Company and Group is debt free, has no external borrowings and is not subject to any covenant measures.

**Financial risk**

The financial risk management objectives and policies of the Company including credit risk, liquidity risk, foreign currency exchange risk and capital management are provided in note 17 of the financial statements.

**Virgin Wine Online Limited**  
**Report of the directors**  
**for the year ended 1 July 2022 (continued)**

**Matters disclosed elsewhere within the financial statements**

Required disclosures in relation to the Company's business performance and results, key performance indicators, financial risk management and principal risks and uncertainties have been included within the strategic report on pages 2 to 5. A statement of engagement with suppliers, customers and other key stakeholders in the business is included in page 5 of the strategic report.

**Streamlined Energy and Carbon Reporting (SECR)**

This year we compiled our first Scope 3 emissions report. All relevant categories were covered in the reporting and optional extras such as homeworking emissions were also included. The report was fully aligned with the GHG Protocol Standard.

We have reported on emission sources required under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2018 and the Streamlined Energy and Carbon Reporting requirements.

Emissions have been calculated following the GHG Protocol standard and using the UK Government GHG Conversion Factors for Company Reporting (2021 and 2022). The operational control approach has been used, with the location-based method used for Scope 2 emissions.

The above 2021/2022 report reflects the base year emissions submitted to NQA who have been appointed as an independent third-party to verify our GHG inventory as part of the PAS 2060 certification process.

**Greenhouse gas (GHG) emissions information**

	2021/2022 (baseline year*)
<b>Scope 1</b>	<b>52.10</b>
<b>Scope 2</b>	<b>67.49</b>
<b>Scope 3</b>	<b>3,242.32</b>
Category 1 – Purchased good and services	1.41
Category 2 – Capital goods	79.67
Category 3 – Fuel and energy related emissions not included in Scope 1 and 2	30.32
Category 4 – Upstream transportation and distribution – Wine Fusion only (28% of FY22 wines)	2,161.52
Category 5 – Waste generated in operations	14.09
Category 6 – Business travel	14.22
Category 7 – Employee commuting	155.29
Category 9 – Downstream transportation and distribution	628.61
Category 11 – Use of sold products	127.35
Category 12 – End-of-life treatment of sold products	29.84
<b>Total</b>	<b>3,361.91</b>
Per employee	17.15
Per £m turnover	48.72
<b>Total Energy Consumption (kWh) Scope 1 and Scope 2</b>	<b>589,527</b>

\* Previous data not included as there is a new baseline year that now includes Scope 3

**Further environmental initiatives**

28% of wine we bought this year was bottled in the UK, which saves approximately 40% of the carbon emissions.

0% of waste from our warehouses goes to landfills. Last year we diverted 389 tonnes from landfill which instead was used for recycling (355 tonnes) or directed to an energy waste facility (34 tonnes).

Our transit packaging is manufactured from 100% FSC certified paper, is 100% recyclable, 100% biodegradable and has up to 88% recycled content.

**Political Donations**

There were no political donations in the financial year.



**Virgin Wine Online Limited**  
**Report of the directors**  
**for the year ended 1 July 2022 (continued)**

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**Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Post balance sheet events**

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

Approved by the board and signed on its behalf by:



G D Weir  
Director  
23/03/2023

**Virgin Wine Online Limited**  
**Profit and loss account**  
**for the year ended 1 July 2022**

	Note	1 July 2022 £'000	2 July 2021 £'000
<b>Turnover</b>	3	<b>69,152</b>	73,634
Cost of sales		<b>(47,429)</b>	(50,353)
<b>Gross profit</b>		<b>21,723</b>	23,281
Operating expenses	4	<b>(17,016)</b>	(17,624)
<b>Operating profit</b>	5	<b>4,707</b>	5,657
Interest receivable and similar income	9	<b>31</b>	5
<b>Profit before taxation</b>		<b>4,738</b>	5,662
Tax on profit	10	<b>(811)</b>	(1,088)
<b>Profit for the financial year</b>		<b>3,927</b>	4,574

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

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

The notes on pages 12 to 28 form part of these financial statements.

**Virgin Wine Online Limited**  
**Balance sheet**  
**as at 1 July 2022**

<b>Company Number 03800762</b>	<b>Note</b>	<b>1 July 2022 £'000</b>	<b>2 July 2021 £'000</b>
<b>Fixed assets</b>			
Intangible assets	11	2,764	2,811
Tangible assets	12	400	162
		<b>3,164</b>	<b>2,973</b>
<b>Current assets</b>			
Stocks	13	8,653	7,239
Debtors: amounts falling due within one year	14	6,802	6,644
Debtors: amounts falling due after more than one year	14	428	-
Cash and cash equivalents	15	15,070	15,660
		<b>30,953</b>	<b>29,543</b>
<b>Creditors: amounts falling due within one year</b>	16	(17,261)	(19,682)
<b>Net current assets</b>		<b>13,692</b>	<b>9,861</b>
<b>Total assets less current liabilities</b>		<b>16,856</b>	<b>12,834</b>
<b>Net assets</b>		<b>16,856</b>	<b>12,834</b>
<b>Capital and reserves</b>			
Called up share capital	18	95	95
Share based payment reserve	8	95	-
Profit and loss account		16,666	12,739
<b>Total shareholders' funds</b>		<b>16,856</b>	<b>12,834</b>

For the year ended 1 July 2022 the Company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

**Directors' responsibilities:**

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised by the board of directors for issue on 23/03/2023 and were signed on its behalf by:

*Graeme Weir*

**G D Weir**  
**Director**

The notes on pages 12 to 28 form part of these financial statements.

**Virgin Wine Online Limited**  
**Statement of changes in equity**  
**for the year ended 1 July 2022**

		Called up Note share capital £'000	Share based payment reserve £'000	Profit and loss account £'000	Total Shareholders' funds £'000
3 July 2020		95	-	9,819	9,914
Profit for the financial year		-	-	4,574	4,574
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>4,574</b>	<b>4,574</b>
Dividends paid	18	-	-	(1,654)	(1,654)
<b>2 July 2021</b>		<b>95</b>	<b>-</b>	<b>12,739</b>	<b>12,834</b>
3 July 2021		95	-	12,739	12,834
Profit for the financial year		-		3,927	3,927
Share based payment expense			95		95
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>95</b>	<b>3,927</b>	<b>4,022</b>
Dividends paid	18	-	-	-	-
<b>1 July 2022</b>		<b>95</b>	<b>95</b>	<b>16,666</b>	<b>16,856</b>

The notes on pages 12 to 28 form part of these financial statements.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022**

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## **1 Accounting policies**

The Company is a private company limited by shares. Details of the Company registered office are included on contents page and its principal activity is disclosed in the report of the Directors. The Company is incorporated in The United Kingdom and registered in England and Wales.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. See additional details in note 2.

### *Statement of compliance and basis of preparation*

The financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

### *Disclosure exemptions*

In preparing the financial statements FRS 102 allows certain disclosure exemptions, subject to certain conditions, which have been complied with. Advantage has been taken of the following disclosure exemptions available since the company is a qualifying entity under FRS 102:

- No cash flow statement has been presented for the company; and
- No disclosure has been given for the aggregate remuneration of the key management personnel.

As the Company is a wholly owned subsidiary of Virgin Wines UK Plc, incorporated in the United Kingdom, the Company has taken advantage of the exemption contained in FRS 102.33.1A and therefore not disclosed transactions or balances with wholly owned subsidiaries which form part of the Group.

The following principal accounting policies have been applied consistently, unless otherwise stated:

### *Going concern*

The Company'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 describes the financial position of the Company. The Company's financial risk management objectives and its exposure to credit risk and liquidity risk are set out on pages 26 and 27.

During the year the Company met its day-to-day working capital requirements through cash generated from operating activities. The Company's forecasts and projections, taking account of a severe but plausible change in trading performance, show that the Company should be able to operate using cash generated from operations, and that no additional borrowing facilities will be required. The Directors considered it appropriate to adopt the going concern basis of accounting in preparing its financial statements.

As part of the IPO listing of the Group on 2 March 2021 all term loans were repaid and the business operates with no bank debt or borrowings.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

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**1 Accounting policies (continued)**

*Turnover*

Turnover represents the value (excluding Value Added Tax) of goods and services supplied to customers during the period, net of rebates and discounts. Appropriate adjustments are made where invoices are raised either in advance or in arrears, to ensure that turnover is recognised in the period to which it relates. Turnover is recognised at the point of despatch of goods / provision of services to the buyer. The cost of loyalty initiatives is part of the fair value of the consideration received and is deferred and subsequently recognised against revenue over the period that the awards are redeemed. Rebates are recognised at the time of the associated sale to the customer and calculated at the rate agreed with the customer under the terms of their contract.

*Taxation*

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where events or transactions that result in an obligation to pay more tax in the future, or a right to pay less tax in future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

*Interest expense*

Interest expense 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 profit and loss account over the term of the debt at a constant rate over the instruments life.

*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 and written off on a straight line basis over its useful economic life, which is 16 years.

In accordance with FRS 102, where indicators of impairment exist at the balance sheet date impairment reviews are performed to assess the carrying value of intangible assets and goodwill. Where the net realisable value is less than the carrying value impairment charges are recognised in the profit and loss account as part of administrative expenses.

*Borrowing*

Inventory financing facilities are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis through the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent they are not settled in the period in which they arise.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

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**1 Accounting policies (continued)**

*Foreign currencies*

The Company's functional and presentational currency is Sterling and the financial statements have been rounded to thousands.

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.

*Intangible assets*

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimate 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.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

*Tangible assets and depreciation*

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. 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.

*Stock*

Stocks 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. Stocks are regularly assessed for evidence of impairment. Where such evidence is identified, a provision is recognised to reduce the value of stock to its selling price after incurring any future costs to sell.

*Leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

*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 Wine Bank customers which are not restricted and as such are presented as cash and cash equivalents.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

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**1 Accounting policies (continued)**

**Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other debtors, amounts owed by Group companies and cash and cash equivalents are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, inventory financing liabilities, amounts owed to Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

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

**(iii) Derivatives**

Derivatives, including forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss, unless they are included in a hedging arrangement.



**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

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**1 Accounting policies (continued)**

*Employee benefits*

The Company 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 Company operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

*Dividends*

Dividends are recognised in the financial statements once they have been declared and approved by the Directors and are treated as a deduction from shareholders equity.

**2 Critical accounting judgements and key sources of estimation uncertainty**

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

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

*Recognition of deferred tax asset*

The Directors have used estimation in determining the extent to which deferred tax assets for tax losses and other timing differences should be recognised. In concluding on the recognition of the additional deferred tax assets the Directors took account of the forecast future trading of the Company and the likely availability of future taxable profits against which the deferred tax assets can be utilised.

*Impairment of assets*

In determining whether there are indicators of impairment of the Company's tangible and intangible assets, including goodwill, various factors are taken into consideration in reaching such a decision. These include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

*Revenue recognition*

In determining the appropriate amount of revenue to be recognised for WineBank sales when applying the accounting policy set out in Note 2 above, the Directors make key estimates in relation to the amount of breakage (to reflect their expectation of customers who will not exercise all of their rights to future discounts) and the total transaction price relating to existing and future orders.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**3 Turnover**

The turnover of the Company is wholly attributable to the principal activity of the Company arising in the United Kingdom.

In the opinion of the Directors the Company has one main business segment which is the sale of wine and hence segmental disclosures are not considered to be required.

**4 Operating expenses**

	1 July 2022	2 July 2021
	£'000	£'000
Selling and distribution	12,163	12,488
Administration	4,853	5,136
	<u>17,016</u>	<u>17,624</u>

**5 Operating profit**

Operating profit is stated after (crediting)/ charging:

	1 July 2022	2 July 2021
	£'000	£'000
Stock charged to cost of sales	43,075	45,616
Depreciation of owned tangible fixed assets (note 12)	139	91
Staff costs (note 6)	7,643	7,534
Operating lease rentals:		
- Land and buildings	633	592
Net exchange gains	(33)	(125)
Movement in debtor provision	-	13
Movement in inventory provision	37	118
Intangible asset amortisation (note 11)	642	615
Auditors' remuneration:		
- for the audit of the company financial statements	-	56
- non audit fees (tax compliance services)	15	15

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**6 Employees**

	1 July 2022	2 July 2021
	£'000	£'000
Staff costs (including directors) consist of:		
Wages and salaries	6,460	6,502
Social security costs	707	645
Other pension costs (note 20)	476	387
	<u>7,643</u>	<u>7,534</u>

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

	1 July 2022	2 July 2021
By function	Number	Number
Sales	164	155
Management and administrative	36	32
	<u>200</u>	<u>187</u>

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

**7 Directors' remuneration**

	1 July 2022	2 July 2021
	£'000	£'000
Directors' emoluments	499	392
Pension contributions	31	44
	<u>530</u>	<u>436</u>

During the year, retirement benefits were accruing to 2 directors (2021: 2) in respect of defined contribution pension schemes.

The highest paid director received total remuneration of £281,273 (2021: £213,390).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £20,667 (2021: £19,559).

During the year, retirement benefits were accruing to 2 directors (2021: 2) in respect of defined contribution pension schemes.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**8 Share-based payments**

In the 52 week period ended 1 July 2022 the ultimate parent Company, Virgin Wines UK Plc, operated an equity-settled share-based payment plan as described below.

The charge in the period attributed to the plan was £89,000 (2021: £6,000).

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 of Virgin Wine Online Limited 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'.

	<b>December 2021</b>		<b>June 2021 Awards</b>	
	<b>PSA</b>	<b>RSA</b>	<b>PSA</b>	<b>RSA</b>
Share price at grant	<b>193p</b>	<b>193p</b>	237p	237p
Number of shares	<b>696,393</b>	<b>87,058</b>	355,804	77,484

	<b>Number of Shares</b>	<b>Number of Shares</b>
	<b>1 July 2022</b>	<b>2 July 2021</b>
Outstanding at start of period	<b>433,288</b>	-
Granted during the period	<b>783,451</b>	433,288
Forfeitures in the period	<b>(12,522)</b>	-
<b>Outstanding at end of period</b>	<b>1,204,217</b>	<b>433,288</b>

The Company granted its first share options on 23 June 2021. The second share options were granted on 6 December 2021.

The awards outstanding at 1 July 2022 have a weighted average remaining contractual life of 2.0 years (2021: 2.3 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.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**9 Interest receivable and similar income**

**1 July 2022   2 July 2021**

**£'000        £'000**

Bank interest	<b>31</b>	<b>5</b>
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**10 Tax on profit**

**1 July 2022   2 July 2021**

**£'000        £'000**

Analysis of charge for the year

Current tax

UK Corporation tax charge for the year	<b>186</b>	<b>155</b>
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Adjustment in respect of previous periods	<b>-</b>	<b>-</b>
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Total current tax	<b>186</b>	<b>155</b>
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Deferred tax

Origination and reversal of timing differences	<b>625</b>	<b>933</b>
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Adjustment in respect of prior year	<b>-</b>	<b>-</b>
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Effect of changes in tax rates	<b>-</b>	<b>-</b>
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Total deferred tax	<b>625</b>	<b>933</b>
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Tax charge on profit on ordinary activities	<b>811</b>	<b>1,088</b>
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On 3 March 2021, the 2021 UK Budget announced an increase to the corporation tax rate from 19% to 25% effective from April 2023. This was substantively enacted on 24 May 2021.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**10 Tax on profit (continued)**

The tax assessed for the year is higher (2021: lower) to the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	1 July 2022	2 July 2021
	£'000	£'000
Profit before tax	<u>4,738</u>	<u>5,662</u>
Profit at the standard rate of corporation tax in the UK of 19% (year ended 2 July 2021 – 19%)	900	1,076
Effects of:		
Expenses not deductible for tax purposes	19	12
Tax rate change	(103)	-
Adjustment in respect of prior year	(5)	-
Total tax charge for the year	<u>811</u>	<u>1,088</u>

For further information on deferred tax balances see note 14.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**11 Intangible assets**

	<b>Goodwill</b>	<b>Software</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<i>Cost</i>			
At 3 July 2021	5,389	2,174	7,563
Additions	-	595	595
At 1 July 2022	5,389	2,769	8,158
<i>Accumulated amortisation</i>			
At 3 July 2021	3,783	969	4,752
Charge for year	321	321	642
At 1 July 2022	4,104	1,290	5,394
<i>Net book value</i>			
At 1 July 2022	<b>1,285</b>	<b>1,479</b>	<b>2,764</b>
At 2 July 2021	1,606	1,205	2,811

Amortisation is charged to administrative expenses in the profit and loss account.

Software is amortised over its estimated useful economic life.

Included within Software is £0.8m net book value in relation to development of the Mantiki core IT platform, which has a remaining amortisation period of five years.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**12 Tangible assets**

	<b>Leasehold property £'000</b>	<b>Computer hardware &amp; warehouse equipment £'000</b>	<b>Fixtures &amp; fittings £'000</b>	<b>Total £'000</b>
<i>Cost</i>				
At 3 July 2021	44	1,305	404	1,753
Additions	-	268	109	377
At 1 July 2022	<u>44</u>	<u>1,573</u>	<u>513</u>	<u>2,130</u>
<i>Accumulated depreciation</i>				
At 3 July 2021	44	1,191	356	1,591
Charge for the year	-	96	43	139
At 1 July 2022	<u>44</u>	<u>1,287</u>	<u>399</u>	<u>1,730</u>
<i>Net book value</i>				
At 1 July 2022	<u>-</u>	<u>286</u>	<u>114</u>	<u>400</u>
At 2 July 2021	<u>-</u>	<u>114</u>	<u>48</u>	<u>162</u>

There were no assets held under finance leases during the year (year ended 2 July 2021: £nil).

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



**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**13 Stocks**

	1 July 2022	2 July 2021
	£'000	£'000
Finished goods for resale	<u>8,653</u>	<u>7,239</u>

There is no difference between the replacement cost of stocks and carrying value (2 July 2021: £nil).

Inventories are stated after provision for impairment of £293,000 (2021: £255,000).

**14 Debtors**

	1 July 2022	2 July 2021
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	933	445
Amounts owed by Group undertakings	4,486	4,147
Derivative financial instruments	16	-
Deferred tax	-	1,053
Other debtors	-	-
Prepayments and accrued income	1,367	999
	<u>6,802</u>	<u>6,644</u>

Trade debtors are stated after provisions for impairment of £13,000 (2021: £13,000). The Directors consider the fair value of debtors to be equal to the book value given their short term nature.

Amounts owed by Group undertakings are unsecured, interest free and repayable on demand.

	1 July 2022	2 July 2021
	£'000	£'000
Amounts falling due after more than one year:		
Deferred tax asset	<u>428</u>	<u>-</u>
		£'000
2 July 2021		1,053
Utilisation through Profit and loss account		(625)
1 July 2022		<u>428</u>

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**14 Debtors (continued)**

	Fixed asset differences £'000	Other timing differences £'000	Tax losses £'000	Total £'000
Brought forward deferred tax asset	590	15	448	1,053
Recognised in the year through profit and loss	(172)	(5)	(448)	(625)
Carried forward deferred tax asset	418	10	-	428

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

The deferred tax asset is expected to reverse against profits in the next financial year and as such this amount has been included in current assets.

**15 Cash and cash equivalents**

Included in Cash and cash equivalents is a balance of £7.4m (2021: £7.3m) relating to advance payments received from customers. The corresponding creditor to customers is included in accruals and deferred income.

£2.0m of the cash balance is held on 95 day notice at a preferential interest rate of 1.45% (2021: 0.45%).

**16 Creditors: amounts falling due within one year**

	1 July 2022 £'000	2 July 2021 £'000
Trade creditors	3,055	4,174
Amounts owed to Group undertakings	1,800	1,800
Taxation and social security	2,928	2,594
Other creditors	181	459
Accruals and deferred income	9,297	10,655
	<b>17,261</b>	<b>19,682</b>

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

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**17 Financial instruments and financial risk management**

The principal financial instruments used by the Company, from which financial instrument risk arises, are:

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

The existence of these financial instruments exposes the Company, through its operations, to the following financial risks:

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

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

	1 July 2022	2 July 2021
	£'000	£'000
Financial assets which are debt measured at amortised cost	5,419	4,592
Financial assets measured at fair value through profit and loss	16	-
Financial liabilities measured at amortised cost	(13,685)	(16,763)
	<u>(8,250)</u>	<u>(12,171)</u>

Financial assets which are debt measured at amortised cost comprise trade debtors, amounts owed by Group undertakings and other debtors.

Financial assets measured at fair value through profit and loss represent the Company's derivative financial instruments, being foreign exchange forward contracts.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals (excluding deferred income) and amounts owed to Group undertakings.

**Credit risk**

The Company's exposure to credit risk is limited to the carrying amount of the financial assets recognised at the reporting date, as summarised above.

The Company'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 Company provides credit to customers in the normal course of business. The principal credit risk therefore arises from the Company's 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 financial review of the business. The credit limits are reviewed on a regular basis in conjunction with debtor ageing and payment history. Historic credit losses have been low as references by the provision in note 14.

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**17 Financial instruments and financial risk management (continued)**

**Liquidity risk**

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

The Company manages its cash and borrowing requirement 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 the Company has sufficient liquid resources to meet its operating needs. Borrowing facilities are arranged as necessary to finance requirements.

Commitments under operating leases are shown in note 21.

**Foreign currency risk**

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. At 1 July 2022, the outstanding contracts all mature within 6 months (2021: 6 months) of the year end. The Company is committed to buy Euro, Australian Dollars, US Dollars and New Zealand Dollars (2021: Australian Dollars and Euros) with a Sterling value of £1.44m (2021: £5.09m).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key assumptions used in valuing the derivatives are the forward exchange rates for GBP:EUR, GBP:AUD, GBP:USD and GBP:NZD.

**18 Called up share capital**

	1 July 2022	2 July 2021
	£'000	£'000
<b>Authorised</b>		
9,591,500,350 (2021: 9,591,500,350) ordinary shares of £0.00001 (2021: £0.00001)	96	96
<b>Allotted, called up and fully paid</b>		
9,553,706,996 (2021: 9,553,706,996) ordinary shares of £0.00001 (2021: £0.00001)	95	95

The Directors have not approved or proposed a dividend in the year (2021: £1.65m). The shares are fully paid and rank pari passu in all respects, including the right to receive all dividends and other distributions.

**19 Nature of reserves**

The Profit and loss reserve is the sum of accumulated undistributed profits.

The Share based payment reserve represents the movements on share based payments.

**20 Pensions**

**Defined contribution scheme**

The amount recognised in the profit and loss account as an expense in relation to the defined contribution schemes is £36,000 (387: £32,000). Included within accruals and other creditors is £nil for outstanding contributions to the defined contribution plan (2021: £nil).

**Virgin Wine Online Limited**  
**Notes forming part of the financial statements**  
**for the year ended 1 July 2022 (continued)**

**21 Commitments under operating leases**

The company had minimum lease payments under non-cancellable operating leases as set out below:

	1 July 2022	2 July 2021
	£'000	£'000
Not later than 1 year	629	641
Later than 1 year and not later than 5 years	2,284	2,067
Later than 5 years	1,471	1,045
Total	<u>4,384</u>	<u>3,753</u>

**22 Ultimate parent undertaking**

In the opinion of the directors, there is no single controlling party. The immediate parent undertaking is Virgin Wines Holding Company Limited. The ultimate parent undertaking is Virgin Wines UK Plc.

Virgin Wines UK Plc is the parent of the smallest and largest Group of undertakings into which the Company's financial statements are consolidated.

Copies of the consolidated financial statements can be obtained from Virgin Wines UK plc, 37-41 Roman Way Industrial Estate, Ribbleson, Preston, Lancashire, United Kingdom PR2 5BD and companies house.

**23 Events after the end of the reporting year**

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

**24 Capital commitments and contingent liabilities**

The Company has entered into an agreement for £0.3m to licence the new warehouse management system until December 2024. There are no other capital commitments and no contingent liabilities not provided in the financial statements for the period ended and as at 1 July 2022.

The Company has a bank guarantee in place for £0.1m in relation to the operation of its bonded warehouse.

**25 Subsidiary undertakings**

The Company has investments in the following subsidiary undertakings;

Name	Country of domicile	Registered office	Principal activity	Holding	%
The Warehouse Wine Company Limited	England	Unit 39 Roman Way Industrial Estate, Preston PR2 5BD	Non- Trading	Ordinary Shares	100

The Company's investment in The Warehouse Wine Company Limited is stated in the financial statements at £nil (3 July 2020: £Nil).