

**Group Strategic Report,  
Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 30 June 2025  
for  
Lanchester Wine Cellars Limited**

**Lanchester Wine Cellars Limited**

**Contents of the Consolidated Financial Statements  
for the Year Ended 30 June 2025**

	<b>Page</b>
<b>Company Information</b>	1
<b>Group Strategic Report</b>	2
<b>Report of the Directors</b>	9
<b>Report of the Independent Auditors</b>	11
<b>Consolidated Income Statement</b>	15
<b>Consolidated Other Comprehensive Income</b>	16
<b>Consolidated Balance Sheet</b>	17
<b>Company Balance Sheet</b>	18
<b>Consolidated Statement of Changes in Equity</b>	19
<b>Company Statement of Changes in Equity</b>	20
<b>Consolidated Cash Flow Statement</b>	21
<b>Notes to the Consolidated Cash Flow Statement</b>	22
<b>Notes to the Consolidated Financial Statements</b>	24
<b>Consolidated Trading and Profit and Loss Account</b>	42

**Lanchester Wine Cellars Limited**

**Company Information  
for the Year Ended 30 June 2025**

**DIRECTORS:** A A Cleary  
V A Cleary  
M A Satchwell  
C R Cleary  
J Mitcheson

**REGISTERED OFFICE:** Greencroft Estate  
Greencroft Parkway  
Annfield Plain  
Stanley  
County Durham  
DH9 7XP

**REGISTERED NUMBER:** 01517126 (England and Wales)

**SENIOR STATUTORY AUDITOR:** Simon Hook FCCA

**AUDITORS:** Clive Owen LLP  
Chartered Accountants and Statutory Auditors  
Kepier House  
Belmont Business Park  
Durham  
DH1 1TW

## **Lanchester Wine Cellars Limited**

### **Group Strategic Report for the Year Ended 30 June 2025**

The directors present their strategic report of the company and the group for the year ended 30 June 2025.

#### **INTRODUCTION**

Lanchester Wine Cellars Limited is one of the UK's leading wine merchants, wholesalers and importers; supplying a wide range of quality and premium wines to the on trade and off trade. Our extensive wine collection includes high quality wines from all corners of the world and we work with some of the leading wine producers across the globe to make sure we are always offering the best quality wine at the best price.

The company owns and operates over 1,000,000ft<sup>2</sup> of Class A Bonded Warehousing both on site and at satellite warehouses in the North East, giving the opportunity to supply the finest wines, beers and spirits into the Trade, both UK and afar.

Lanchester Wine Cellars Limited also owns and operates Full Circle Brew Co, an exceptional state of the art new brewery with a 30 hectolitre brewhouse with keging and canning capability on site, together with a tap room / bar and meeting facilities.

Lanchester Wine Cellars Limited is part of the much larger Lanchester Group comprising, Spicers of Hythe Limited, The Wine Fusion Limited and Bon Bon's (Wholesale) Limited. Wider non-group companies within the operations include Greencroft Bottling Company Limited, Lanchester Properties Limited and Lanchester Energy Limited as well as a 45% stake in Universal Wines and Spirits Limited (an online spirit operation).

## Lanchester Wine Cellars Limited

### Group Strategic Report for the Year Ended 30 June 2025

#### REVIEW OF BUSINESS

We have had another huge increase in duty this year following on from the same in the last financial year, this has without doubt had a significant effect on wine sales in all of our markets. The cost increases from the 2024 budget have hurt the hospitality industry in a major way, with their business rates doubling, the cost of labour rising dramatically together with the said duty increases it has been the perfect storm, the whole industry is suffering from these increases in their cost base all instigated by the present Government. Our Group of Companies have in the main navigated their way through these trying times by increasing our customer base and cutting back on spending to grow the business.

Lanchester Wines is going well with increased volumes into some of our large retail customers and winning many new larger "on trade" customers, helped by our quality of our wine portfolio and not reducing the alcohol in our wines to keep the duty payments down, hence keeping the palate and style of our wines which our customers have come to expect from us. The business has held off building our new warehouse, as we like many other company's, were very nervous of what the Chancellor was going to do in the November 2025 budget, with new taxes like EPR already hitting the industry hard we have the workers rights changes coming down the track. Our wine agencies have, in the main, performed very well especially Champagne Moutard where we have nearly doubled our sales, the New Zealand ranges are selling really well with our main brand, Nika Tiki, the star performer.

Full Circle Brew Co has achieved many new listings with all of the large retailers with Looper and Repeater proving to be very popular. It has taken much longer than we anticipated for the listings to become live, the first orders were delivered in April and May so we are looking forward to an excellent year 25/26 as we have both 440 ml and 330 ml cans listed in singles and four packs. The Tap Room has nearly doubled its turnover through the year, helped by more weddings and business meeting spaces proving popular. The Pip Stop Wine Shop has now been changed to a new bar area downstairs which has helped enormously in achieving these excellent figures. Towards the end of the FY we invested in a new centrifuge which will increase our volume capability by over 20% which we will need moving forward with all the new supermarket volume.

The Wine Fusion has operated well through out the year with many of its on line and "on trade" customers being hit by the aforementioned duty rises and having a year of consolidation but with the management team working hard and finding many new and unusual wines, many of which are the first time being bottled in the U.K, and this has certainly helped our customers keeping their volumes moving forward. The business continues to operate very efficiently with very few people shipping large volumes of high quality and different bulk wines, getting many new listings and keeping the business moving along very well.

Spicers of Hythe had a challenging year with many corporate customers either cancelling or reducing their demand for hampers over the Christmas period due mainly to the harsh budget which made many company's cut back on their spending, which left us with some unsold stock for the first time in many years. Our management team is very strong and we had many new lines this year most selling very well, and together with our production expertise we produced a good profit for the year.

Bon Bons has also had a very challenging year with overheads rising steeply and the sugar prices more than doubling, together with the cost of chocolate being the highest in history another perfect storm. The business invested heavily in new machines to make us more efficient and we have just taken delivery of a brand new fully automated chocolate production line, which when fully operational will make a huge difference to our cost of production. The sales are holding up well and we have purchased Choc Amor, an exciting premium chocolate business, with some very different styles of chocolate, which are proving very popular with our customers and with the automation starting to show through on our cost base we anticipate an excellent year moving forward.

## **Lanchester Wine Cellars Limited**

### **Group Strategic Report for the Year Ended 30 June 2025**

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors and management of the company see risk management as an integral aspect of managing the business. The principal risks faced by the company are:

##### **Financial Risk**

The group sees very low risk in the financial management of the business, with the valuation of our warehouse estate on the River Tyne increasing significantly. This gives the business an excellent base, together with 920,000 sq ft of warehouse space

##### **Foreign Currency Risk**

Foreign exchange rate risk is always present with main exposure arising from the purchase of wine, bottles and other packaging components from overseas suppliers. The group monitors exchange rates closely and looks to cover large volume business via forward contracts when necessary.

##### **Credit Risk**

Credit risk principally arises on trade debts. Policies and procedures exist to ensure that appropriate credit limits are set. An experienced team of credit controllers review credit accounts, set limits and chase overdue debt. Significant new accounts or increases to account limits are approved by a Director after thorough and robust checks have been carried out.

##### **Interest Rate Risk**

Rising interest rates become more of a factor at a time where the Company, and wider Group, is securing funding for its various expansion projects.

HP asset purchases and financing are undertaken on fixed interest rate terms and are therefore built into future considerations.

##### **Liquidity Risk**

The Company receives excellent support from its bank and ensures there are sufficient funds available to meet the requirements of ongoing operations.

## **Lanchester Wine Cellars Limited**

### **Group Strategic Report for the Year Ended 30 June 2025**

#### **SECTION 172(1) STATEMENT**

Section 172 of the Companies Act 2006 requires the directors of a group to act in a way they consider to be in good faith and would be most likely to promote the success of the company for the benefit of all of its members as a whole both in the current period and in the long term.

In discharging their duties above, the directors carefully consider, amongst other matters, the impact of their decisions on various stakeholder groups. The groups we consider in this regard are our employees, our customers, our suppliers and our shareholders as well as the wider community in which we operate. The directors recognise that building strong relationships with our stakeholders will help us to deliver our long-term strategy in line with our core values and operate the business in a sustainable way. We are committed to conducting business responsibly.

#### **Employees**

Directors receive information on various staff metrics. The directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The directors keep staff informed of key issues through structured communication channels, ensure equal opportunities in the workplace and also provide training and development opportunities where they are considered of benefit to the Company and employees. Using the Companies recruitment and development strategies, the directors seek to attract and retain talented staff.

#### **Customers**

The directors and senior management commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customers' needs to the highest standards and ensure appropriate processes are in place to mitigate and manage any disputes that may arise from time to time.

#### **Suppliers**

The directors have established Company procedures to ensure that external suppliers are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the Company. The Company seeks to pay all suppliers any undisputed amounts due and that conform with the Companies billing requirements within agreed terms. The Company has established procedures for dispute resolution in a timely and fair manner.

#### **Community and the environment**

The Company takes its role within the sector very seriously and promotes and encourages community and charitable contribution. The Company also recognises the importance of its environmental responsibilities, its impact on the local environment and its compliance with any regulatory environmental standards. The Company seeks to implement policies aimed at reducing any potential detrimental environmental impact of its activities.

#### **Shareholders**

The directors endeavour to create value for our ultimate shareholders by ensuring the Company's performance remains strong as well as sustainable. The directors adhere to the Company's long term strategic plan when making operational decisions.

## Lanchester Wine Cellars Limited

### Group Strategic Report for the Year Ended 30 June 2025

#### GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

##### SECR Report

This report summarises Lanchester Wine Cellar Ltd's and all subsidiaries energy usage, associated emissions, energy efficiency actions and energy performance under the government policy Streamlined Energy & Carbon Reporting (SECR).

This is implemented by the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Mandatory information for compliance is detailed on pages 4, 7 and 8 of this report. The reporting methodologies utilised for all calculations related to the elements reported under energy and carbon are provided on page 7. Under the legislation, Lanchester Wine Cellars Ltd must disclose its energy consumption, emissions, intensity metrics and all energy efficiency improvements implemented for all UK operations. All data has been derived directly from meters and/or fuel invoices as applicable for each energy type.

##### Reporting year: July 2024 - June 2025

Lanchester's Scope 1 direct and Scope 2 indirect emissions (combustion of natural gas and transportation fuels and purchase of electricity) for this reporting year are 1,369 tCO<sub>2</sub>e gross without netting off any onsite renewable energy generation. This represents an 13% reduction from the reporting year, ending June 2024.

Including onsite renewable energy exports to the grid, which outweigh total imports from the grid across the entire group, net emissions for the current financial year are 934 tCO<sub>2</sub>e, an 5.0% reduction when compared to the prior year.

Lanchester's operations have an intensity metric of 2.0 tCO<sub>2</sub>e/£100,000 revenue for this reporting year. This represents a reduction in the operational carbon intensity of 12.7% from last year, ending June 2024. Including our exporting of surplus wind turbine electricity the net figure is reduced to 1.37 tCO<sub>2</sub>e/£100,000 revenue for the year ending June 2025.

The following tables show the consumption and associated emissions for the financial years ending June 2025 and June 2024 for all operations.

Scope 1 consumption and emissions include direct combustion of natural gas, and fuels utilised for transportation operations, for example, company vehicle fleets.

Scope 2 consumption and emissions cover indirect emissions related to the consumption of purchased electricity in day-to-day business operations.

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

Energy consumption used to calculate emissions (KWh)

	2025	2024
Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1) (tCO <sub>2</sub> e)	1,118	948
Emissions from combustion of fuel for transport purposes (Scope 1) (tCO <sub>2</sub> e)	216	200
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) (tCO <sub>2</sub> e)	33	426
<b>Total gross Scope 1 &amp; Scope 2 emissions (tCO<sub>2</sub>e)</b>	<b>1,367</b>	<b>1,574</b>

Energy consumption used to calculate above emissions:

Emissions from activities for which the company own or control including combustion of fuel & operation of facilities (Scope 1) (kWh)	5,933,023	4,986,570
Emissions from combustion of fuel for transport purposes (Scope 1) (kWh)	835,266	754,822
Emissions from purchase of electricity, heat, steam and cooling purchased for own use (Scope 2) (kWh)	1,688,816	2,056,325
<b>Total gross Scope 1 &amp; Scope 2 emissions (kWh)</b>	<b>8,457,105</b>	<b>7,797,717</b>
Intensity ratio: tCO <sub>2</sub> e (gross Scope 1 + 2) per £100,000 revenue	2.00	2.29
Renewable Exports - Onsite Wind Turbines (tCO <sub>2</sub> e)	477	590
<b>Total annual net emissions / tCO<sub>2</sub>e</b>	<b>934</b>	<b>984</b>
Additional intensity ratio: tCO <sub>2</sub> e net figure / e.g.£100,000 revenue	1.37	1.43

##### Year-on-Year Changes:

During the period covered by the report the Company has:

## Lanchester Wine Cellars Limited

### Group Strategic Report for the Year Ended 30 June 2025

- Switched electricity contracts to zero carbon contracts across the group.
- Continued to transition company vehicles towards EV and Hybrid alternatives reducing transport emissions throughout the year.
- Began the move of production processes operated by our sister company Greencroft Bottling Ltd over to our new build at the same HQ site. When complete this will allow production lines to utilise 3.1MW of solar panels upon the roof in addition rebalancing the consumption and generation of our two existing wind turbines reducing our Scope 2 emissions considerably.

#### Future Outlook:

- Further production processes will be migrated from the current production facility towards the new build, Greencroft 2, where there is an abundance of renewable generation available to help decarbonisation.
- There is a proposed rebuild of the original HQ building in an effort to centralise the wider business, reducing both transport emissions and on site energy consumption due to the modernisation of the building.
- Planned installation of a 2.5MW Battery Energy Storage System (BESS), this will form a full micro-grid at the Greencroft 2 building comprising a 500kW Wind Turbine, 3.1MW of Solar, and the BESS. This will drastically reduce any Scope 2 emissions from the site.

#### **Quantification and reporting methodology**

This report (including the Scope 1 and consumption and CO2e emissions data) has been developed and calculated using the GHG Protocol - A Corporate Accounting and Reporting Standard (World Resources Institute and World Business Council for Sustainable Development, 2004); Greenhouse Gas Protocol - Scope 2 Guidance (World Resources Institute, 2015); Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance (HM Government, 2019).

GHG Conversion Factors 2025 Full Set for Advanced Users has been used, utilising the published kWh gross calorific value and kgCO2e emission factors relevant for the reporting period ending June 2025.

#### **SUSTAINABILITY**

We believe every business has a duty of care to minimise its impact on the environment, which is why Lanchester Wines and the wider Lanchester group of companies, which includes Greencroft Bottling, has worked tirelessly over the last decade to ensure sustainability is at our core.

There is, unfortunately, no 'one size fits all' solution when it comes to sustainability and so we've invested considerably to identify which changes we can make to lessen our effect on our planet. Our business' greatest opportunity to make a change is through minimising our reliance on fossil fuels. As such, we've invested around £13million in renewable heat and energy generation at our sites across the North of England and today our business is powered almost completely by renewable wind and solar energy, with heat generated from geothermal heat pump technology.

We believe sustainability is going to be a key driver for all businesses moving forward and it is to this end we have invested massively in our sustainable assets;

- Bon Bons have invested in another 100kw of solar and we are using over 90% of this power on site.
- Lanchester Wines Invested in new bore holes for our Geo Thermal Heating system in our two warehouses in Gateshead going down to 285 metres and we have now operating with 19 degree C water rather than 13 degree water making the system much more efficient..

With all these assets we firmly believe the Lanchester Group of Companies is one of the most sustainable businesses on the planet. We are without doubt world leading when it comes to sustainability - a restless pioneer of renewable energy, with a proven track record for pushing at the boundaries of green technology.

## Lanchester Wine Cellars Limited

### Group Strategic Report for the Year Ended 30 June 2025

#### THE FUTURE

The Group of businesses has started the new FY very strongly and we are looking towards 20% growth by June 2025, there are and will be many challenges along the way, the main one being the last budget which unashamedly absolutely hammered all businesses with another massive tax/overhead burden. We are about to go to planning for a new state of the art semi-automated warehouse of 285,000 sq. ft. and 16.8 metres high which should accommodate 100,000 pallets, and return major efficiencies by having most of our wine operations on one site. Our major strength is that we own a number of large businesses across a broad spectrum of activities and skill sets and this year we are bringing them closer together under an Executive Board which will encourage more interaction and therefore be more efficient and sustainable.

Our major strength is we own a number of medium and large businesses across a broad spectrum of activities and skill sets, and we have now brought them much closer under an Executive Board which is encouraging more interaction and efficiencies across the whole Group. We are spending a lot of time on automation across the Group and have had many significant wins mainly in production and finance and this is helping control our costs which have risen significantly due to government tax and overhead rises from the last two budgets.

A new BESS (Battery, Energy Storage System) will be installed this year which will enable us to use much more of the power we generate on site and more than half our electricity spend, and together with moving all our glass filling lines into Greencroft 2 which will then have most of our power need into the building with 3 M/W of solar on the roof which will help our efficiencies dramatically. This will also open up more space for pallet storage on site which will enable us to divest ourselves of the rented storage warehouse off site to increase our efficiencies and decrease our overheads dramatically.

Bon Bons acquired the Choc Amor business last year and we have invested in an automated state of the art chocolate production line as we are having great success with this brand in all of our customer base as it is a very unusual high quality flavoured chocolate and is proving very popular.

The business is looking to increasing our own branded offering following the great success of Full Circle Craft Beer Brands and the afore mentioned Choc Amor Chocolate Brand and this will give us much more control over our various markets and enable to invest with confidence in our own branded products and look forward to more success in the future.

#### FINANCIAL KEY PERFORMANCE INDICATORS

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

	2025	2024
	£	£
Revenue	68,322,344	65,590,836
Gross profit (%)	13.03%	15.55%
Operating profit	4,177,440	2,262,150
EBITDA	6,349,784	4,498,870

#### EMPLOYEE ENGAGEMENT STATEMENT

##### Employee recruitment and retention

The group's performance relies upon the retention of key personnel and fortunately we have no issues keeping our talented people. With fresh new challenges and a profit share scheme, our managers and senior people appreciate how we operate.

#### ON BEHALF OF THE BOARD:



A A Cleary - Director

Date: 25/03/2026

## Lanchester Wine Cellars Limited

### Report of the Directors for the Year Ended 30 June 2025

The directors present their report with the financial statements of the company and the group for the year ended 30 June 2025.

#### PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of a wine merchant, wholesaler and importer.

#### DIVIDENDS

Dividends paid during the year were £66,500 (2024: £66,750). The directors do not recommend a final dividend in respect of the year.

#### DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2024 to the date of this report.

A A Cleary  
V A Cleary  
M A Satchwell  
C R Cleary

Other changes in directors holding office are as follows:

J Mitcheson - appointed 1 November 2024

#### DISCLOSURE IN THE STRATEGIC REPORT

The following information, which would otherwise be disclosed in the directors' report, is instead disclosed in the strategic report, as permitted by s414C(11) of the Companies Act 2006:

- Principal risks and uncertainties
- Future developments
- Energy and carbon reporting

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

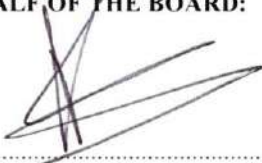
**Lanchester Wine Cellars Limited**

**Report of the Directors  
for the Year Ended 30 June 2025**

**AUDITORS**

The auditors, Clive Owen LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



.....  
A A Cleary - Director

Date: 25/03/2026

## **Report of the Independent Auditors to the Members of Lanchester Wine Cellars Limited**

### **Opinion**

We have audited the financial statements of Lanchester Wine Cellars Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2025 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 30 June 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Lanchester Wine Cellars Limited**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page nine, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

## **Report of the Independent Auditors to the Members of Lanchester Wine Cellars Limited**

### **Auditors' responsibilities for the audit of the financial statements**

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We have planned and performed the audit in accordance with auditing standards, however there always remains unavoidable risk that material misstatement may remain due to the inherent limitations of testing.
- The risk of not detecting instances of fraud is higher than that of not detecting errors, due to the fact fraud could involve concealment, collusion, misrepresentation or override of internal controls.
- The work undertaken during the audit reduces the risk of irregularities, including fraud, to an acceptable level. We are not responsible for preventing non-compliance and cannot be expected to detect all instances of non-compliance.

We undertake the following procedures to identify and respond to these risks of non-compliance:

- Understanding the key legal and regulatory frameworks that are applicable to the Company. We communicated identified laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit. We determined the most significant of these to be financial reporting legislation Customs Warehousing Regulations 1991, Alcohol Wholesaler Registration Scheme (AWRS), company law, taxation legislation, health & safety, and employment law.
- Enquiry of directors and management as to policies and procedures to ensure compliance and any known instances of non-compliance.
- Review of board minutes and correspondence with regulators.
- Enquiry of directors and management as to areas of the financial statements susceptible to fraud and how these risks are managed.
- Challenging management on key estimates, assumptions and judgements made in the preparation of the financial statements. These key areas of uncertainty are disclosed in the accounting policies.
- Identifying and testing unusual journal entries, with a particular focus on manual journal entries.

Through these procedures, we did not become aware of actual or suspected non-compliance.

We planned and performed our audit in accordance with auditing standards but owing to the inherent limitations of procedures required in these areas, there is an unavoidable risk that we may not have detected a material misstatement in the accounts. The further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve concealment, collusion, forgery, misrepresentations, or override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Lanchester Wine Cellars Limited**

**Use of our report**

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



Simon Hook FCCA (Senior Statutory Auditor)  
for and on behalf of Clive Owen LLP  
Chartered Accountants and Statutory Auditors  
Kepier House  
Belmont Business Park  
Durham  
DHI ITW

Date: ..... 27/3/26 .....

**Lanchester Wine Cellars Limited**

**Consolidated  
Income Statement  
for the Year Ended 30 June 2025**

	Notes	2025 £	2024 £
<b>TURNOVER</b>	3	68,322,344	65,590,836
Cost of sales		(59,422,594)	(55,447,160)
<b>GROSS PROFIT</b>		8,899,750	10,143,676
Administrative expenses		(14,897,057)	(14,934,210)
		(5,997,307)	(4,790,534)
Other operating income		10,174,747	7,052,684
<b>OPERATING PROFIT</b>	5	4,177,440	2,262,150
Income from other participating interests		(12,090)	6,856
Interest receivable and similar income		13,463	9,601
		4,178,813	2,278,607
Gain/loss on revaluation of investment property		(204,077)	-
		3,974,736	2,278,607
Interest payable and similar expenses	6	(2,846,465)	(1,864,768)
<b>PROFIT BEFORE TAXATION</b>		1,128,271	413,839
Tax on profit	7	684,632	(265,555)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>1,812,903</u>	<u>148,284</u>
Profit attributable to:			
Owners of the parent		1,688,446	15,990
Non-controlling interests		124,457	132,294
		<u>1,812,903</u>	<u>148,284</u>

The notes form part of these financial statements

**Lanchester Wine Cellars Limited**

**Consolidated  
Other Comprehensive Income  
for the Year Ended 30 June 2025**

Notes	2025 £	2024 £
<b>PROFIT FOR THE YEAR</b>	1,812,903	148,284
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>1,812,903</u>	<u>148,284</u>
Total comprehensive income attributable to:		
Owners of the parent	1,688,446	15,990
Non-controlling interests	<u>124,457</u>	<u>132,294</u>
	<u>1,812,903</u>	<u>148,284</u>

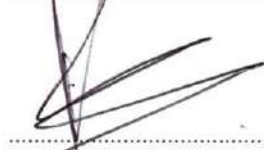
The notes form part of these financial statements

Lanchester Wine Cellars Limited (Registered number: 01517126)

Consolidated Balance Sheet  
30 June 2025

	Notes	2025		2024	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		2,247,452		2,706,210
Tangible assets	11		15,753,394		37,323,316
Investments	12				
Interest in associate			501,289		513,379
Other investments			15,309		10,085
Investment property	13		21,000,000		-
			<u>39,517,444</u>		<u>40,552,990</u>
<b>CURRENT ASSETS</b>					
Stocks	14	14,934,524		17,426,352	
Debtors	15	11,002,279		10,177,361	
Cash at bank and in hand		273,121		644,654	
			<u>26,209,924</u>		<u>28,248,367</u>
<b>CREDITORS</b>					
Amounts falling due within one year	16	23,269,061		39,131,645	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>					
			<u>2,940,863</u>		<u>(10,883,278)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>42,458,307</u>		<u>29,669,712</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(33,371,779)		(21,644,955)
<b>PROVISIONS FOR LIABILITIES</b>					
	20		(805,306)		(1,489,938)
<b>NET ASSETS</b>					
			<u>8,281,222</u>		<u>6,534,819</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		100,000		100,000
Retained earnings	22		7,602,181		5,980,235
<b>SHAREHOLDERS' FUNDS</b>					
			<u>7,702,181</u>		<u>6,080,235</u>
<b>NON-CONTROLLING INTERESTS</b>					
			<u>579,041</u>		<u>454,584</u>
<b>TOTAL EQUITY</b>					
			<u>8,281,222</u>		<u>6,534,819</u>

The financial statements were approved by the Board of Directors and authorised for issue on 25/03/2026..... and were signed on its behalf by:



A.A. Cleary - Director

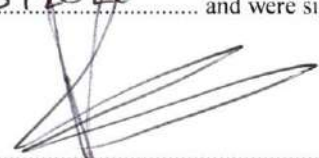
The notes form part of these financial statements

Lanchester Wine Cellars Limited (Registered number: 01517126)

Company Balance Sheet  
30 June 2025

	Notes	2025		2024	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		694,019		791,435
Tangible assets	11		13,584,836		34,891,911
Investments	12		10,400,509		10,395,285
Investment property	13		21,000,000		-
			<u>45,679,364</u>		<u>46,078,631</u>
<b>CURRENT ASSETS</b>					
Stocks	14	8,537,187		10,539,565	
Debtors	15	7,879,099		7,665,983	
Cash at bank and in hand		51,818		160,895	
			<u>16,468,104</u>	<u>18,366,443</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	16	19,820,759		34,790,618	
<b>NET CURRENT LIABILITIES</b>					
			<u>(3,352,655)</u>	<u>(16,424,175)</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
			<u>42,326,709</u>	<u>29,654,456</u>	
<b>CREDITORS</b>					
Amounts falling due after more than one year	17		(33,371,779)		(21,644,955)
<b>PROVISIONS FOR LIABILITIES</b>					
	20		(506,641)		(1,127,660)
<b>NET ASSETS</b>					
			<u>8,448,289</u>	<u>6,881,841</u>	
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		100,000		100,000
Retained earnings	22		8,348,289		6,781,841
<b>SHAREHOLDERS' FUNDS</b>					
			<u>8,448,289</u>	<u>6,881,841</u>	
Company's profit for the financial year					
			<u>1,614,448</u>	<u>98,781</u>	

The financial statements were approved by the Board of Directors and authorised for issue on 25/03/2024 and were signed on its behalf by:

  
A A Cleary - Director

The notes form part of these financial statements

**Lanchester Wine Cellars Limited**

**Consolidated Statement of Changes in Equity  
for the Year Ended 30 June 2025**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
<b>Balance at 1 July 2023</b>	100,000	6,030,995	6,130,995	322,290	6,453,285
<b>Changes in equity</b>					
Dividends	-	(66,750)	(66,750)	-	(66,750)
Total comprehensive income	-	15,990	15,990	132,294	148,284
<b>Balance at 30 June 2024</b>	<u>100,000</u>	<u>5,980,235</u>	<u>6,080,235</u>	<u>454,584</u>	<u>6,534,819</u>
<b>Changes in equity</b>					
Dividends	-	(66,500)	(66,500)	-	(66,500)
Total comprehensive income	-	1,688,446	1,688,446	124,457	1,812,903
<b>Balance at 30 June 2025</b>	<u><u>100,000</u></u>	<u><u>7,602,181</u></u>	<u><u>7,702,181</u></u>	<u><u>579,041</u></u>	<u><u>8,281,222</u></u>

The notes form part of these financial statements

Lanchester Wine Cellars Limited

Company Statement of Changes in Equity  
for the Year Ended 30 June 2025

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 July 2023</b>	100,000	6,731,060	6,831,060
<b>Changes in equity</b>			
Dividends	-	(48,000)	(48,000)
Total comprehensive income	-	98,781	98,781
<b>Balance at 30 June 2024</b>	<u>100,000</u>	<u>6,781,841</u>	<u>6,881,841</u>
<b>Changes in equity</b>			
Dividends	-	(48,000)	(48,000)
Total comprehensive income	-	1,614,448	1,614,448
<b>Balance at 30 June 2025</b>	<u>100,000</u>	<u>8,348,289</u>	<u>8,448,289</u>

The notes form part of these financial statements

**Lanchester Wine Cellars Limited**

**Consolidated Cash Flow Statement  
for the Year Ended 30 June 2025**

	Notes	2025 £	2024 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	6,250,767	5,544,698
Interest paid		(2,395,012)	(1,566,018)
Interest element of hire purchase payments paid		(216,349)	(34,027)
Finance costs paid		(235,104)	(264,723)
Tax paid		-	(17,957)
		<hr/>	<hr/>
Net cash from operating activities		3,404,302	3,661,973
		<hr/>	<hr/>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(236,176)	(102,933)
Purchase of tangible fixed assets		(1,083,808)	(3,457,715)
Purchase of fixed asset investments		(5,224)	-
Purchase of investment property		(79,192)	-
Sale of intangible fixed assets		3,278	-
Sale of tangible fixed assets		90,751	174,296
Interest received		13,463	9,601
Dividends received		-	111,933
		<hr/>	<hr/>
Net cash from investing activities		(1,296,908)	(3,264,818)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>			
New loans in year		245,000	969,825
Loan repayments in year		(985,870)	(735,000)
HP Capital repayments in year		(626,270)	(842,583)
Invoice financing movement		227,314	(248,110)
Import loan movement		(1,890,550)	2,019,937
Equity dividends paid		(66,500)	(66,750)
		<hr/>	<hr/>
Net cash from financing activities		(3,096,876)	1,097,319
		<hr/>	<hr/>
<b>(Decrease)/increase in cash and cash equivalents</b>		(989,482)	1,494,474
<b>Cash and cash equivalents at beginning of year</b>	2	644,654	(849,820)
		<hr/>	<hr/>
<b>Cash and cash equivalents at end of year</b>	2	(344,828)	644,654
		<hr/> <hr/>	<hr/> <hr/>

The notes form part of these financial statements

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30 June 2025**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2025	2024
	£	£
Profit before taxation	1,128,271	413,839
Depreciation charges	2,170,971	2,279,271
Profit on disposal of fixed assets	(41,223)	(43,041)
Loss on revaluation of fixed assets	204,077	-
Finance costs	2,846,465	1,864,768
Finance income	(1,373)	(16,457)
	<u>6,307,188</u>	<u>4,498,380</u>
Decrease/(increase) in stocks	2,491,828	(109,425)
Increase in trade and other debtors	(824,918)	(143,926)
(Decrease)/increase in trade and other creditors	(1,723,331)	1,299,669
	<u>6,250,767</u>	<u>5,544,698</u>
<b>Cash generated from operations</b>	<u><u>6,250,767</u></u>	<u><u>5,544,698</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 30 June 2025**

	30.6.25	1.7.24
	£	£
Cash and cash equivalents	273,121	644,654
Bank overdrafts	(617,949)	-
	<u>(344,828)</u>	<u>644,654</u>

**Year ended 30 June 2024**

	30.6.24	1.7.23
	£	£
Cash and cash equivalents	644,654	32,598
Bank overdrafts	-	(882,418)
	<u>644,654</u>	<u>(849,820)</u>

The notes form part of these financial statements

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 30 June 2025**

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.7.24 £	Cash flow £	At 30.6.25 £
<b>Net cash</b>			
Cash at bank and in hand	644,654	(371,533)	273,121
Bank overdrafts	-	(617,949)	(617,949)
	644,654	(989,482)	(344,828)
<b>Debt</b>			
Finance leases	(3,653,971)	626,270	(3,027,701)
Debts falling due within 1 year	(19,016,040)	16,078,810	(2,937,230)
Debts falling due after 1 year	(4,900,000)	(13,447,390)	(18,347,390)
	(27,570,011)	3,257,690	(24,312,321)
<b>Total</b>	(26,925,357)	2,268,208	(24,657,149)

The notes form part of these financial statements

## Lanchester Wine Cellars Limited

### Notes to the Consolidated Financial Statements for the Year Ended 30 June 2025

#### 1. STATUTORY INFORMATION

Lanchester Wine Cellars Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

#### 2. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

There were no material departures from that standard.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

##### **Basis of consolidation**

The consolidated financial statements present the results of the Group and its own subsidiaries ("the group") as they formed a single entity, together with the group's share of the results of an associate.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities. Intra-group transactions and balances with subsidiaries are eliminated in full in the consolidated financial statements.

Entities in which the group holds an interest under a contractual arrangement are treated as associates. In the group financial statements, associates are accounted for using the equity method.

All of the entities' financial statements are made up to 30 June 2025. No separate profit and loss accounts for Lanchester Wine Cellars Limited is presented, as permitted by Section 406 of the Companies Act 2006.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **Income recognition**

Turnover represents the sale of goods and is recognised when the significant risk and rewards of ownership of the goods have transferred to the buyer, usually on delivery of the goods.

##### **Rental income**

Rental income, included within other operating income, is recognised on a straight-line basis over the period of the lease, in accordance with the contractual terms of the lease.

##### **Goodwill**

Goodwill is being amortised evenly over its estimated useful life of 10 years.

##### **Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Website rights are being amortised evenly over their estimated useful life of four years.

Development costs are being amortised evenly over their estimated useful life of five years.

Computer software is being amortised evenly over its estimated useful life of ten years.

## Lanchester Wine Cellars Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2025

#### 2. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2-25% on cost
Assets under construction	- not provided
Long leasehold	- 5% on cost
Improvements to property	- 10% on cost and 5% on cost
Plant and machinery	- 25% on cost, 25% on reducing balance, 20% on cost, 20% on reducing balance and 5% on cost
Fixtures and fittings	- 25% on reducing balance, 20% on cost, 10 - 25% on cost and 5% on cost
Motor vehicles	- 25% on cost, 25% on reducing balance and 20% on cost
Computer equipment	- 33% on cost, 25% on cost, 25% on reducing balance and 20% on cost

Depreciation is provided on all assets, except land and assets under construction.

Tangible fixed assets are initially measured at cost. After initial recognition, tangible fixed assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

##### **Investments in subsidiaries and associates**

Investments in subsidiary and associate undertakings are recognised at cost.

##### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

##### **Stocks**

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

##### **Financial instruments**

###### **Debtors**

Short term debtors are measured at transaction price. Other financial assets including cash and bank are measured at fair value.

###### **Creditors**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## Lanchester Wine Cellars Limited

### Notes to the Consolidated Financial Statements - continued for the Year Ended 30 June 2025

#### 2. ACCOUNTING POLICIES - continued

##### **Deferred tax**

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

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

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

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

##### **Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

##### **Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.

The basis of key estimates that management have considered in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

**Fixed asset investments** - Fixed asset investments are recognised at cost less provision for permanent diminution in value. The valuation of a trading business, and therefore the impairment calculation, involves a number of judgements to be taken, however where possible management have used known third party transaction information in arriving at their valuation.

**Investment property valuation** - Investment properties are recognised at cost. The valuation of the investment property at fair value involves a number of judgements to be taken, however where possible management have used known third party transaction information in arriving at their valuation.

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**2. ACCOUNTING POLICIES - continued**

**Going concern**

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date the financial statements are approved. The financial statements are prepared on the going concern basis which assumes that the company will continue to trade. If the company is unable to continue to trade, adjustments would be required to reduce the value of assets to their recoverable amounts, to provide for any further liabilities that might arise and to analyse long term liabilities as current liabilities.

**Invoice financing**

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

**3. TURNOVER**

The turnover and profit before taxation are attributable to the principal activities of the group.

An analysis of turnover by geographical market is given below:

	2025	2024
	£	£
United Kingdom	66,229,217	64,208,375
Rest of the world	2,093,127	1,382,461
	68,322,344	65,590,836

**4. EMPLOYEES AND DIRECTORS**

	2025	2024
	£	£
Wages and salaries	8,679,145	7,619,172
Social security costs	892,905	728,553
Other pension costs	200,261	180,438
	9,772,311	8,528,163

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

	2025	2024
Operational	189	177
Administration	66	48
Management	33	39
	288	264

	2025	2024
	£	£
Directors' remuneration	96,750	82,816

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**5. OPERATING PROFIT**

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

	2025	2024
	£	£
Hire of plant and machinery	152,287	182,346
Other operating leases	1,395,021	1,641,994
Depreciation - owned assets	1,302,140	1,285,505
Depreciation - assets on hire purchase contracts	177,177	209,984
Profit on disposal of fixed assets	(41,223)	(43,041)
Goodwill amortisation	525,739	621,143
Development costs amortisation	116	1,401
Computer software amortisation	165,801	160,274
Auditor's remuneration	67,300	63,000
Foreign exchange differences	90,873	(8,748)
	2,846,465	1,864,768

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2025	2024
	£	£
Bank loan interest	1,546,989	610,501
Interest on intercompany loan	(1,601)	6,550
Invoice finance charges	235,104	264,723
Loan against import interest	2,401	2,385
Interest payable	847,223	946,582
Hire purchase	216,349	34,027
	2,846,465	1,864,768

**7. TAXATION**

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the profit for the year was as follows:

	2025	2024
	£	£
Deferred tax	(684,632)	265,555
Tax on profit	(684,632)	265,555

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**7. TAXATION - continued**

**Reconciliation of total tax (credit)/charge included in profit and loss**

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

	2025	2024
	£	£
Profit before tax	1,128,271	413,839
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2024 - 25%)	282,068	103,460
Effects of:		
Expenses not deductible for tax purposes	205,921	155,366
Capital allowances in excess of depreciation	(663,541)	-
Utilisation of tax losses	(636,817)	-
Effects of consolidation	127,737	-
Prior year adjustment	-	(343)
Other fixed asset timing differences	-	7,072
Total tax (credit)/charge	(684,632)	265,555

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

**9. DIVIDENDS**

	2025	2024
	£	£
Ordinary shares shares of £1 each		
Interim	66,500	66,750

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**10. INTANGIBLE FIXED ASSETS**

<b>Group</b>	Goodwill £	Website rights £	Development costs £	Computer software £	Totals £
<b>COST</b>					
At 1 July 2024	7,156,230	302,500	63,737	1,595,763	9,118,230
Additions	202,769	-	4,675	28,732	236,176
Disposals	-	-	-	(7,650)	(7,650)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2025	7,358,999	302,500	68,412	1,616,845	9,346,756
<b>AMORTISATION</b>					
At 1 July 2024	5,529,719	302,500	63,737	516,064	6,412,020
Amortisation for year	525,739	-	116	165,801	691,656
Eliminated on disposal	-	-	-	(4,372)	(4,372)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2025	6,055,458	302,500	63,853	677,493	7,099,304
<b>NET BOOK VALUE</b>					
At 30 June 2025	<u>1,303,541</u>	<u>-</u>	<u>4,559</u>	<u>939,352</u>	<u>2,247,452</u>
At 30 June 2024	<u>1,626,511</u>	<u>-</u>	<u>-</u>	<u>1,079,699</u>	<u>2,706,210</u>

The net book value of assets held under hire purchase contracts is £307,065 (2024: £361,253) included in computer software above.

**Company**

	Website rights £	Computer software £	Totals £
<b>COST</b>			
At 1 July 2024	302,500	1,246,202	1,548,702
Additions	-	23,810	23,810
Disposals	-	(7,650)	(7,650)
	<hr/>	<hr/>	<hr/>
At 30 June 2025	302,500	1,262,362	1,564,862
<b>AMORTISATION</b>			
At 1 July 2024	302,500	454,767	757,267
Amortisation for year	-	117,948	117,948
Eliminated on disposal	-	(4,372)	(4,372)
	<hr/>	<hr/>	<hr/>
At 30 June 2025	302,500	568,343	870,843
<b>NET BOOK VALUE</b>			
At 30 June 2025	<u>-</u>	<u>694,019</u>	<u>694,019</u>
At 30 June 2024	<u>-</u>	<u>791,435</u>	<u>791,435</u>

The net book value of assets held under hire purchase contracts is £307,065 (2024: £361,253) included in computer software above.

Lanchester Wine Cellars Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025

11. TANGIBLE FIXED ASSETS

Group	Freehold property £	Assets under construction £	Long leasehold £	Improvements to property £	
<b>COST</b>					
At 1 July 2024	8,298,273	21,704,989	670,741	978,837	
Additions	9,517	423,032	-	1,331	
Disposals	-	(5,321)	-	-	
Reclassification/transfer	-	(21,728,243)	-	-	
At 30 June 2025	8,307,790	394,457	670,741	980,168	
<b>DEPRECIATION</b>					
At 1 July 2024	1,113,062	-	318,104	259,010	
Charge for year	233,383	-	28,012	85,563	
Eliminated on disposal	-	-	-	-	
At 30 June 2025	1,346,445	-	346,116	344,573	
<b>NET BOOK VALUE</b>					
At 30 June 2025	6,961,345	394,457	324,625	635,595	
At 30 June 2024	7,185,211	21,704,989	352,637	719,827	
	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>					
At 1 July 2024	281,051	10,400,360	1,868,219	342,477	44,544,947
Additions	14,445	485,205	138,670	11,608	1,083,808
Disposals	-	(2,100)	(181,414)	-	(188,835)
Reclassification/transfer	-	603,358	-	-	(21,124,885)
At 30 June 2025	295,496	11,486,823	1,825,475	354,085	24,315,035
<b>DEPRECIATION</b>					
At 1 July 2024	135,122	3,772,932	1,356,368	267,033	7,221,631
Charge for year	50,148	778,366	267,163	36,682	1,479,317
Eliminated on disposal	-	(2,100)	(137,207)	-	(139,307)
At 30 June 2025	185,270	4,549,198	1,486,324	303,715	8,561,641
<b>NET BOOK VALUE</b>					
At 30 June 2025	110,226	6,937,625	339,151	50,370	15,753,394
At 30 June 2024	145,929	6,627,428	511,851	75,444	37,323,316

Lanchester Wine Cellars Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025

11. TANGIBLE FIXED ASSETS - continued

Group

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

	Freehold property £	Assets under construction £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 July 2024	238,542	3,670,408	933,485	542,150	5,384,585
Disposals	-	-	-	(26,014)	(26,014)
Reclassification/transfer	-	(3,670,408)	-	-	(3,670,408)
At 30 June 2025	<u>238,542</u>	<u>-</u>	<u>933,485</u>	<u>516,136</u>	<u>1,688,163</u>
<b>DEPRECIATION</b>					
At 1 July 2024	163,740	-	330,260	429,246	923,246
Charge for year	37,088	-	51,119	88,970	177,177
Eliminated on disposal	-	-	-	(26,014)	(26,014)
At 30 June 2025	<u>200,828</u>	<u>-</u>	<u>381,379</u>	<u>492,202</u>	<u>1,074,409</u>
<b>NET BOOK VALUE</b>					
At 30 June 2025	<u>37,714</u>	<u>-</u>	<u>552,106</u>	<u>23,934</u>	<u>613,754</u>
At 30 June 2024	<u>74,802</u>	<u>3,670,408</u>	<u>603,225</u>	<u>112,904</u>	<u>4,461,339</u>

Company

	Freehold property £	Assets under construction £	Long leasehold £
<b>COST</b>			
At 1 July 2024	8,298,273	21,236,383	670,741
Additions	9,517	400,952	-
Disposals	-	-	-
Reclassification/transfer	-	(21,264,958)	-
At 30 June 2025	<u>8,307,790</u>	<u>372,377</u>	<u>670,741</u>
<b>DEPRECIATION</b>			
At 1 July 2024	1,113,062	-	318,104
Charge for year	233,383	-	28,012
Eliminated on disposal	-	-	-
At 30 June 2025	<u>1,346,445</u>	<u>-</u>	<u>346,116</u>
<b>NET BOOK VALUE</b>			
At 30 June 2025	<u>6,961,345</u>	<u>372,377</u>	<u>324,625</u>
At 30 June 2024	<u>7,185,211</u>	<u>21,236,383</u>	<u>352,637</u>

Lanchester Wine Cellars Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025

11. TANGIBLE FIXED ASSETS - continued

Company

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 July 2024	8,782,667	1,481,296	40,469,360
Additions	245,322	138,670	794,461
Disposals	(2,100)	(114,539)	(116,639)
Reclassification/transfer	140,073	-	(21,124,885)
At 30 June 2025	9,165,962	1,505,427	20,022,297
<b>DEPRECIATION</b>			
At 1 July 2024	2,941,798	1,204,485	5,577,449
Charge for year	510,135	186,383	957,913
Eliminated on disposal	(2,100)	(95,801)	(97,901)
At 30 June 2025	3,449,833	1,295,067	6,437,461
<b>NET BOOK VALUE</b>			
At 30 June 2025	5,716,129	210,360	13,584,836
At 30 June 2024	5,840,869	276,811	34,891,911

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

	Freehold property £	Assets under construction £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 July 2024	238,542	3,670,408	933,485	542,150	5,384,585
Disposals	-	-	-	(26,014)	(26,014)
Reclassification/transfer	-	(3,670,408)	-	-	(3,670,408)
At 30 June 2025	238,542	-	933,485	516,136	1,688,163
<b>DEPRECIATION</b>					
At 1 July 2024	163,740	-	330,260	429,246	923,246
Charge for year	37,088	-	51,119	88,970	177,177
Eliminated on disposal	-	-	-	(26,014)	(26,014)
At 30 June 2025	200,828	-	381,379	492,202	1,074,409
<b>NET BOOK VALUE</b>					
At 30 June 2025	37,714	-	552,106	23,934	613,754
At 30 June 2024	74,802	3,670,408	603,225	112,904	4,461,339

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**12. FIXED ASSET INVESTMENTS**

<b>Group</b>	Shares in group undertakings £	Interest in associate £	Unlisted investments £	Totals £
<b>COST</b>				
At 1 July 2024	8,085	513,379	2,000	523,464
Additions	-	-	5,224	5,224
Share of profit/(loss)	-	(12,090)	-	(12,090)
	<u>8,085</u>	<u>501,289</u>	<u>7,224</u>	<u>516,598</u>
At 30 June 2025	8,085	501,289	7,224	516,598
<b>NET BOOK VALUE</b>				
At 30 June 2025	<u>8,085</u>	<u>501,289</u>	<u>7,224</u>	<u>516,598</u>
At 30 June 2024	<u>8,085</u>	<u>513,379</u>	<u>2,000</u>	<u>523,464</u>
<b>Company</b>				
	Shares in group undertakings £	Interest in associate £	Unlisted investments £	Totals £
<b>COST</b>				
At 1 July 2024	10,340,715	52,570	2,000	10,395,285
Additions	-	-	5,224	5,224
	<u>10,340,715</u>	<u>52,570</u>	<u>7,224</u>	<u>10,400,509</u>
At 30 June 2025	10,340,715	52,570	7,224	10,400,509
<b>NET BOOK VALUE</b>				
At 30 June 2025	<u>10,340,715</u>	<u>52,570</u>	<u>7,224</u>	<u>10,400,509</u>
At 30 June 2024	<u>10,340,715</u>	<u>52,570</u>	<u>2,000</u>	<u>10,395,285</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Bon Bon's (Wholesale) Limited**

Registered office: Moorside, Moorside Business Park, Tockworth, York. YO26 7QG.

Nature of business: Wholesale of chocolate and sugar confectionary.

	%
Class of shares:	holding
Ordinary	100.00

**The Wine Fusion Limited**

Registered office: Greencroft Estates, Greencroft Parkway, Annfield Plain, Durham, County Durham. DH9 7XP.

Nature of business: Wine merchants, wholesalers and importers

	%
Class of shares:	holding
Ordinary	75.00

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**12. FIXED ASSET INVESTMENTS - continued**

**Spicers of Hythe Limited**

Registered office: Greencroft Estates, Greencroft Parkway, Annfield Plain, Durham, County Durham. DH9 7XP.

Nature of business: Sale of hampers and contract packing services

	%
Class of shares:	holding
Ordinary	100.00

**Associated company**

**Universal Wine & Spirits Limited**

Registered office: Greencroft Estates, Greencroft Parkway, Annfield Plain, Durham, County Durham. DH9 7XP.

Nature of business: Online retail of alcoholic beverages

	%		
Class of shares:	holding		
Ordinary	45.00		
		2025	2024
		£	£
Aggregate capital and reserves		994,941	1,021,807
(Loss)/profit for the year		(26,866)	15,236
		994,941	1,021,807

The investment in the associate is accounted for using the equity method.

The company's investment in Bon Bons is carried at £7.47m and is measured at cost less impairment. Given losses in the period, the directors performed an impairment review using an EBITDA multiplier. The review indicates that no impairment is required at the reporting date; however, the valuation is sensitive to key assumptions, including forecast sales growth, gross margin recovery, input costs and the multiplier.

As a result, actual results may differ from forecasts and reasonably possible changes in these assumptions could result in an impairment being recognised in future periods. The directors continue to monitor trading performance and the delivery of operational improvements and investment benefits. Based on the information available at the date of approval of these financial statements, the Directors consider the assumptions used in the impairment assessment to be reasonable.

**13. INVESTMENT PROPERTY**

**Group**

	Total £
<b>FAIR VALUE</b>	
Additions	79,192
Revaluation	(204,077)
Reclassification/transfer	21,124,885
	21,000,000
At 30 June 2025	21,000,000
<b>NET BOOK VALUE</b>	
At 30 June 2025	21,000,000

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**13. INVESTMENT PROPERTY - continued**

**Group**

Fair value at 30 June 2025 is represented by:

	£
Valuation in 2025	(204,077)
Cost	21,204,077
	21,000,000

The investment property was valued on an open market basis on 13 January 2026 by an independent professional in the field, who holds the qualifications MRICS. In the opinion of the directors the valuation of the investment property represents the fair value as at 30 June 2025.

**Company**

	Total £
<b>FAIR VALUE</b>	
Additions	79,192
Revaluation	(204,077)
Reclassification/transfer	21,124,885
	21,000,000
<b>NET BOOK VALUE</b>	
At 30 June 2025	21,000,000

**14. STOCKS**

	<b>Group</b>		<b>Company</b>	
	2025	2024	2025	2024
	£	£	£	£
Raw materials	7,392,072	7,560,144	4,825,190	4,362,397
Work-in-progress	27,065	14,726	27,065	14,726
Finished goods	7,515,387	9,851,482	3,684,932	6,162,442
	14,934,524	17,426,352	8,537,187	10,539,565

The comparative year stock split has been restated, this restatement was balance sheet only with no profit or loss impact. Stocks are stated after provisions of £97,275 (2024: £nil).

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

	<b>Group</b>		<b>Company</b>	
	2025	2024	2025	2024
	£	£	£	£
Trade debtors	8,016,927	7,276,304	4,993,054	4,235,483
Amounts owed by group undertakings	-	-	553,539	1,141,299
Amounts owed by participating interests	425,919	609,763	394,869	609,763
Other debtors	324,389	229,647	215,410	207,457
VAT	1,221	104,598	-	-
Prepayments and accrued income	2,233,823	1,957,049	1,722,227	1,471,981
	11,002,279	10,177,361	7,879,099	7,665,983

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

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

	<b>Group</b>		<b>Company</b>	
	2025	2024	2025	2024
	£	£	£	£
Bank loans and overdrafts (see note 18)	3,555,179	19,016,040	3,348,974	19,016,040
Hire purchase contracts (see note 19)	599,101	595,223	599,101	595,223
Trade creditors	7,614,606	10,048,815	5,564,305	7,604,439
Amounts owed to group undertakings	-	-	669,388	-
Amounts owed to participating interests	5,464,013	4,059,079	5,272,049	4,026,507
Taxation and social security	524,334	409,280	418,367	261,313
Other creditors	288,765	185,562	226,466	173,894
Accruals and deferred income	1,139,255	961,152	503,578	126,665
Invoice finance facility	4,083,808	3,856,494	3,218,531	2,986,537
	<u>23,269,061</u>	<u>39,131,645</u>	<u>19,820,759</u>	<u>34,790,618</u>

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

	<b>Group</b>		<b>Company</b>	
	2025	2024	2025	2024
	£	£	£	£
Bank loans (see note 18)	18,347,390	4,900,000	18,347,390	4,900,000
Hire purchase contracts (see note 19)	2,428,600	3,058,748	2,428,600	3,058,748
Amounts owed to participating interests	12,595,789	13,686,207	12,595,789	13,686,207
	<u>33,371,779</u>	<u>21,644,955</u>	<u>33,371,779</u>	<u>21,644,955</u>

**18. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2025	2024	2025	2024
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	617,949	-	411,744	-
Bank loans	2,937,230	19,016,040	2,937,230	19,016,040
	<u>3,555,179</u>	<u>19,016,040</u>	<u>3,348,974</u>	<u>19,016,040</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	991,740	980,000	991,740	980,000
Amounts falling due between two and five years:				
Bank loans - 2-5 years	17,355,650	2,940,000	17,355,650	2,940,000
Amounts falling due in more than five years: Repayable by instalments				
Bank loans more 5 yr by instal	-	980,000	-	980,000

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**18. LOANS - continued**

All loans were consolidated into one term-loan of £19,835,000. The loan accrues interest at 1.9% above Bank of England Base Rate and is repayable in equal installments of £82,645, with the outstanding balance being payable upon the termination date in December 2029. There is a cross guarantee between companies under common control as detailed in note 22.

The bank loan and overdrafts are secured by a first fixed and floating charge over the assets of the group and entities under common control. The hire purchase liabilities are secured on the assets to which they relate.

Amounts owed to connected companies are unsecured and accrued interest of 1.9% above Bank of England Base Rate.

**19. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

	Hire purchase contracts	
	2025	2024
	£	£
Net obligations repayable:		
Within one year	599,101	595,223
Between one and five years	2,428,600	3,058,748
	3,027,701	3,653,971
	3,027,701	3,653,971

**Company**

	Hire purchase contracts	
	2025	2024
	£	£
Net obligations repayable:		
Within one year	599,101	595,223
Between one and five years	2,428,600	3,058,748
	3,027,701	3,653,971
	3,027,701	3,653,971

**Group**

	Non-cancellable operating leases	
	2025	2024
	£	£
Within one year	1,025,343	1,002,641
Between one and five years	1,135,578	1,178,344
In more than five years	368,333	628,333
	2,529,254	2,809,318
	2,529,254	2,809,318

Lanchester Wine Cellars Limited

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025

19. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	2025	2024
	£	£
Within one year	716,183	693,481
Between one and five years	16,778	14,384
	<u>732,961</u>	<u>707,865</u>

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2025	2024	2025	2024
	£	£	£	£
Deferred tax	<u>805,306</u>	<u>1,489,938</u>	<u>506,641</u>	<u>1,127,660</u>
<b>Group</b>				Deferred tax
				tax
				£
Balance at 1 July 2024				1,489,938
Underprovision in prior year				(684,632)
Accelerated capital allowances				<u>(684,632)</u>
Balance at 30 June 2025				<u>805,306</u>
<b>Company</b>				Deferred tax
				tax
				£
Balance at 1 July 2024				1,127,660
Accelerated capital allowances				(621,019)
Balance at 30 June 2025				<u>506,641</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2025	2024
Number:	Class:		£	£
100,000	Ordinary shares	£1	<u>100,000</u>	<u>100,000</u>

There is a single class of Ordinary shares. There are no restrictions on the distributions of dividends and the repayment of capital.

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**22. RESERVES**

<b>Group</b>	Retained earnings £
At 1 July 2024	5,980,235
Profit for the year	1,688,446
Dividends	(66,500)
	<hr/>
At 30 June 2025	<u>7,602,181</u>
<b>Company</b>	Retained earnings £
At 1 July 2024	6,781,841
Profit for the year	1,614,448
Dividends	(48,000)
	<hr/>
At 30 June 2025	<u>8,348,289</u>

Retained earnings includes all profits and losses less any distributions made.

**23. PENSION COMMITMENTS**

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounts to £200,261 (2024: £190,438). Contributions totalling £30,630 (2024: £8,837) were payable to the fund at the balance sheet date and are included within other creditors.

**24. CONTINGENT LIABILITIES**

The group, together with Greencroft Bottling Company Limited (a company under common control), is party to an unlimited cross-guarantee in respect of their indebtedness to the bank. The aggregate amount outstanding at the balance sheet date to which the guarantee relates is £46,591,953 (2024: £49,411,212), of which £28,195,545 (2024: £31,034,360) is recognised as a liability in these financial statements.

**25. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

**Lanchester Wine Cellars Limited**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 30 June 2025**

**25. RELATED PARTY DISCLOSURES - continued**

**Entities over which entity has control, joint control or significant influence**

	2025	2024
	£	£
Sales	4,754,780	623,718
Purchases	7,414,845	7,862,020
Recharges	485,309	2,298,128
Management charges	1,841,223	2,364,000
Interest paid	847,223	946,582
Dividends received	(12,090)	111,933
Amount due from related party	396,944	762,726
Amount due to related party	17,877,883	17,902,764

Total remuneration paid to key management personnel of the group was £462,406 (2024: £411,503) which includes directors' remuneration disclosed in note 4.

**26. ULTIMATE CONTROLLING PARTY**

The controlling party is A A Cleary.

**Lanchester Wine Cellars Limited**

**Consolidated Trading and Profit and Loss Account  
for the Year Ended 30 June 2025**

	2025		2024	
	£	£	£	£
<b>Sales</b>		68,322,344		65,590,836
<b>Cost of sales</b>				
Purchases and direct costs	37,844,069		35,214,328	
Carriage inwards	1,668,052		1,492,130	
Import duty	1,557,863		2,229,829	
Customs and excise duty	5,519,145		6,867,404	
Carriage and shipping	6,555,543		4,171,674	
Wages and salaries	3,589,313		2,936,586	
Social security	360,938		269,754	
Pension costs	84,526		71,933	
Other direct costs	650,674		916,942	
Sub contractors	1,592,471		1,276,580	
		59,422,594		55,447,160
<b>GROSS PROFIT</b>		8,899,750		10,143,676
<b>Other income</b>				
Rents received	7,792,346		3,374,159	
Sundry receipts	216,743		1,338,849	
Management charges	898,019		1,371,052	
Recharged expenses	1,267,639		968,624	
Interest in joint venture	(12,090)		6,856	
Deposit account interest	12,941		9,594	
Corporation tax interest	522		7	
		10,176,120		7,069,141
		19,075,870		17,212,817
<b>Expenditure</b>				
Rent	1,395,021		1,641,994	
Rates and water	1,239,867		1,128,639	
Insurance	606,456		531,688	
Light and heat	1,195,017		1,591,684	
Directors' salaries	96,750		82,816	
Directors' social security	10,050		8,745	
Wages and salaries	4,993,082		4,599,770	
Social security	521,917		450,054	
Pension costs	115,735		108,505	
Hire of plant and machinery	152,287		182,346	
Office expenses	842		976	
Telephone	55,576		63,207	
Postage and stationery	166,019		167,434	
Advertising	322,703		337,860	
Travelling and subsistence	182,691		153,128	
Motor expenses	322,200		199,531	
Demurrage	59,240		56,750	
Repairs and maintenance	759,036		745,582	
Website costs	12,582		9,437	
Household and cleaning	163,958		133,565	
Computer costs	114,381		76,604	
Sundry expenses	269,947		202,547	
		12,755,357		12,472,862
Carried forward		19,075,870		17,212,817

This page does not form part of the statutory financial statements

**Lanchester Wine Cellars Limited**

**Consolidated Trading and Profit and Loss Account  
for the Year Ended 30 June 2025**

	2025		2024	
	£	£	£	£
Brought forward	12,755,357	19,075,870	12,472,862	17,212,817
Management charges	(1,025,942)		(756,525)	
Accountancy	41,669		4,414	
Professional fees	42,000		-	
Subscriptions	183,786		158,247	
Legal fees	370,884		481,442	
Auditors' remuneration	67,300		63,000	
Donations	2,470		4,570	
Foreign exchange losses	90,873		(8,748)	
Amortisation of intangible fixed assets				
Goodwill	525,854		621,143	
Development costs	-		1,401	
Computer software	165,800		160,274	
Depreciation of tangible fixed assets				
Freehold property	233,383		230,700	
Long leasehold	28,012		29,699	
Improvements to property	82,170		101,375	
Plant and machinery	104,866		103,261	
Fixtures and fittings	759,190		733,909	
Motor vehicles	243,596		270,495	
Computer equipment	28,100		26,051	
Profit/loss on sale of tangible fixed assets	(19,079)		(40,624)	
Entertaining	40,621		30,888	
Bad debts	19,521		46,121	
Donations	-		860	
	<u>                    </u>	<u>14,740,431</u>	<u>                    </u>	<u>14,734,815</u>
		4,335,439		2,478,002
<b>Finance costs</b>				
Bank charges	178,770		201,812	
Bank loan interest	1,546,989		610,501	
Interest on intercompany loan	(1,601)		6,550	
Invoice finance charges	235,104		264,723	
Loan against import interest	2,401		2,385	
Interest payable	847,223		946,582	
Hire purchase	216,349		34,027	
	<u>                    </u>	<u>3,025,235</u>	<u>                    </u>	<u>2,066,580</u>
		1,310,204		411,422
<b>Profit on disposal of fixed assets</b>				
Freehold property		22,144		2,417
		<u>                    </u>		<u>                    </u>
		1,332,348		413,839
<b>Gain/loss on revaluation of assets</b>				
Gain/loss on revaluation of investment property		(204,077)		-
		<u>                    </u>		<u>                    </u>
<b>NET PROFIT</b>		<u><u>1,128,271</u></u>		<u><u>413,839</u></u>

This page does not form part of the statutory financial statements