

CHAPEL DOWN GROUP PLC

ANNUAL REPORT 2025



CHAPEL DOWN



OUR MISSION

TO CHANGE THE WAY
THE WORLD THINKS
ABOUT ENGLISH WINE

OUR VALUES



GROUNDLED

Approachable, inclusive and open-minded



RESPONSIBLE

Accountability for delivery, as individuals and as a team, with a focus on sustainability



AMBITIOUS

Driven by our bold mission to change the way the world thinks about English wine



PROUD

Committed to quality and celebrating shared success



ENTREPRENEURIAL

Pioneering, embracing challenges and seizing opportunities



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2025 HIGHLIGHTS

2025 WAS A PIVOTAL YEAR FOR CHAPEL DOWN

FINANCIAL



+19%

NSR
2025: £19.4m
(2024: £16.4m)



+9.0%

NSR CAGR
FY22-FY25



£3.7m

Adjusted EBITDA
growth of +25%
(Excluding Fair Value
adjustment to
biological produce)

OPERATIONAL



2.6m

Bottles expected to
be produced from the
exceptional quality
2025 harvest



49%

Highest brand awareness
in English Sparkling
Wine (ESW)²



+1ppt

Chapel Down
Market Share¹
2025: 36%
(2024: 35%)

MARKET



47%

Sparkling Wine
penetration in the UK
with headroom to grow.
(France: 78%;
UK Still Wine 64%)



50%

People who agree
“ESW is high quality”³
(2021: 40%;
Champagne: 58%)



+12%

Growth of ESW in 2025
(Off-Trade)

1 Source NIQ UK Sparkling Wines – 52 w/e 27th December 2025 vs 52 w/e 28th December 2024. (ESW + English Sparkling Wine).

2 Source Savanta, BrandVue, Sparkling Wine drinkers, MAT End December 2025.

3 Source: IWSR Sparkling Wine Survey June 2025.



4.7



Tripadvisor Score,
based on 1,272 reviews

Tripadvisor
Travelers'
Choice Awards



4.7



Google Review Score,
based on 908 reviews

CHAIR'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025



2025 was a year of leadership transition, strategic realignment and focused execution. Together with the Board and new management team, we have been sharpening the delivery against our three strategic priorities – brand value enhancement, sustainable channel expansion and disciplined capital management. This has led to significant progress in the year.

The Group delivered double-digit topline growth alongside a return to full profitability in the year. Net sales revenue grew strongly, supported by a strong recovery in the UK Off-Trade due to more consistent stockholding, increased distribution and excellent execution, especially over the Christmas trading period. We also benefited from significant momentum in the US through our new distribution partner, providing promise in the medium term as we expand into new international markets. 2025 also saw a return to profitability at profit before tax level and a significant year-on-year increase in adjusted EBITDA⁶ through top line growth and continued cost control. We are also pleased with the exceptional quality harvest of 2025 and look forward to sharing these wines with our consumers and shareholders in the years to come.

Chapel Down's investment case is centred around three priorities:

Brand Value Enhancement – compounding brand equity and desirability through premium positioning and proven investments that support awareness, conversion and repeat purchase.

Sustainable Channel Expansion – scaling distribution and rate of sale across the UK and international markets alongside investments in our Direct-to-Consumer offering to create diversified and sustained growth.

Disciplined Capital Management – using our existing asset base to build high-quality TMS maturing stocks to sustain demand growth, whilst maintaining a prudent cost base and preserving liquidity headroom under our revolving credit facility.

The ambition of these priorities is to translate operational progress into sustained cash generation and shareholder value over the medium to longer term. Significant progress has been made against all three in 2025.

The Board was pleased to welcome Simon Litherland as an Independent Non-Executive Director during the year. Simon brings highly relevant consumer and beverage experience, notably from his tenure as CEO of Britvic plc, strengthening the Board's oversight of brand, route-to-market and capital allocation priorities.

We welcomed a new executive team with the appointments of James Pennefather as Chief Executive Officer and Louan Mouton as Chief Financial Officer. James brings a wealth of strategic leadership experience in premium drinks and brand building; supported by Louan's experience in scaling operations locally and internationally and a focus on disciplined capital allocation – capabilities that align closely with our strategic objectives.

This year also saw the adoption of the newly revised QCA Corporate Governance Code. The key changes and our approach to adoption will be set out in the Corporate Governance section of the Annual Report, including enhancements to Board effectiveness, stakeholder engagement and disclosures around risk.

The Board would like to thank our colleagues across the Group for their professionalism and dedication, and the support of our customers, consumers, supply chain partners and advisors. During the year our colleagues refreshed the purpose and cultural values of Chapel Down and it is pleasing to see these values truly coming to life with the delivery of such good performance. We are also grateful for the continued engagement and support of shareholders, which enables investment behind proven growth drivers.

The Board is excited about the significant opportunity for Chapel Down in a growing English Sparkling Wine category, both in the UK and internationally, and continues to ensure focused execution against our strategic priorities across the organisation. We look forward to updating you on our progress.

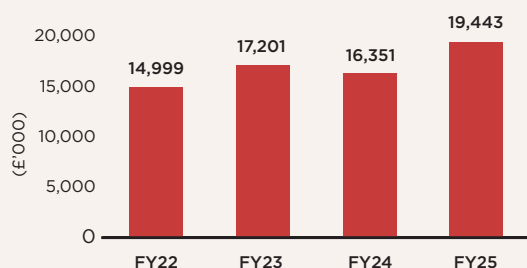
M.A. Spencer
Chair

28 April 2026

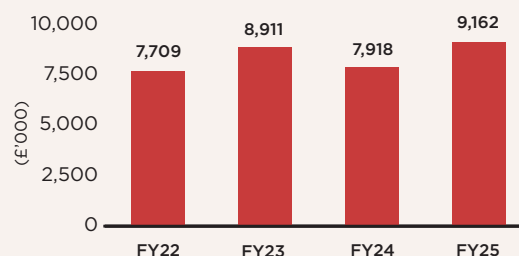


AT A GLANCE

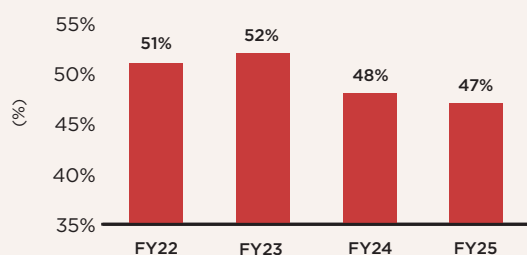
NET SALES REVENUE ("NSR")



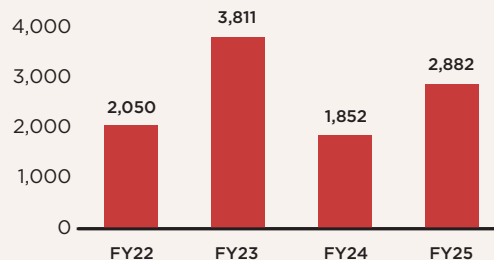
GROSS PROFIT



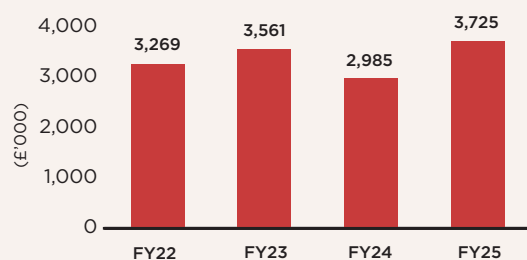
GROSS MARGIN %



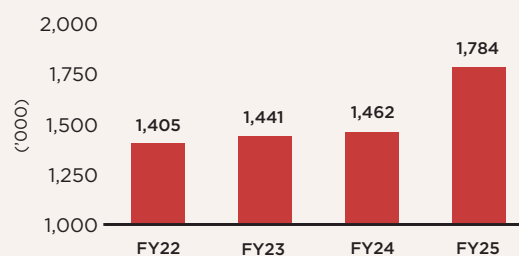
HARVESTED TONNES



ADJUSTED EBITDA



SALES VOLUME (BOTTLES)



PRODUCT MIX BY NSR (FY25)



CHANNEL SPLIT BY NSR (FY25)



STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

Chapel Down Group Plc is pleased to announce the Group's results for the year ended 31 December 2025.

The principal activity of the Group continues to be the production and sale of alcoholic beverages. A review of the business appears below. Our mission is to change the way the world thinks about English wine.

STRATEGIC UPDATE FROM THE CEO



Chapel Down's strategic ambition is to achieve an equivalent 1% share of the global Champagne market by 2035. We have the assets in place to be able to achieve this: a vertically-integrated business model with expertise across viticulture, winemaking, tourism, sales and marketing; a strong team culture; over 1,000 acres of Kent's finest

terroir planted; sufficient winemaking capacity; a brand with market-leading levels of awareness and equity; and scalable financial management ERP systems.

Significant progress was made against this ambition in 2025. For the first time in a single financial year, Chapel Down dispatched more than 1m bottles of TMS wine, representing an equivalent market share of Champagne at c.0.4% (FY24: 0.3%)². We are seeing the benefits of investment in the brand and in expanding distribution, which is now attracting new consumers into the category to enjoy our wines across a broader range of consumption occasions.

2025 was a strong year of delivery for Chapel Down. We achieved robust top line growth and returned the Group to profitability, with net sales revenue up +19% to £19.4m, Adjusted EBITDA⁶ (excluding the fair value adjustment to biological produce) up +25% to £3.7m, and profit before tax of £0.5m. In spite of a tough economic climate, English Sparkling Wine remains resilient and in growth, with Chapel Down continuing to win share.

I would also like to recognise the commitment of our team members and partners across our value chain. Our vineyard and winery teams maintained consistent high standards and compliance, whilst delivering a truly exceptional harvest; commercial and brand teams executed with discipline and focus; and our growers, suppliers, logistics providers and distributors provided effective support. This enabled us to deliver exceptional quality wines to our customers and consumers.

STRATEGIC UPDATE FROM THE CEO (CONTINUED)

Update on progress made towards our Strategic Priorities:

1) Brand Value Enhancement

We are building a globally-recognised and desirable sparkling wine brand with a clear sense of place and strong association with key celebration occasions. Our brand continues to achieve broader recognition among sparkling wine consumers as a modern British luxury brand, reaching 49% awareness in 2025¹, supported by increased investment in digital, PR and experiential activity. During the year we generated c.47m media impressions (+31%), grew to c.141k social followers (+11%), increased our consumer database to c.120k (+19%), and welcomed c.54k visitors to our brand home – all of which increase conversion and repeat purchase. We have also made tactical investments into our brand home that will allow for increased footfall and attracting new consumers in 2026 and beyond.

Our partnerships – including Royal Ascot, The Boat Race and England and Wales Cricket Board – continue to reinforce Chapel Down's association with premium British celebration.

Premiumisation within our portfolio remains a core strategic focus. TMS now accounts for 74% of wine NSR in FY25 (FY24: 70%), with progress made on increasing the mix of our Kit's Coty luxury single-vineyard range. Our new high-quality plantings at Boxley Abbey (fully productive from 2026) and Buckwell (from 2027) provide further opportunities for premiumisation over the longer term and we look forward to sharing more on this development in due course.

2) Sustainable Channel Expansion

We are developing and implementing repeatable growth drivers across channels, both in the UK and in key international markets. As the No.1 English winemaker³, we provide thought leadership in the category to expand its wider distribution footprint. Chapel Down's suite of proven growth driver tools ensures that our wines deliver rate of sale where they are listed. Our in-house Customer Service capability delivers operational effectiveness for our customers.

During 2025, we made significant progress in understanding the role that Chapel Down plays within our customers' portfolios, with clear evidence that the brand is expanding occasionality for high-value sparkling wine and driving trade-up within the sparkling wine category. In addition, there is a clear generational shift as Millennials in particular are increasingly adopting the brand. This in turn opens up more opportunities for Chapel Down to be distributed in outlets where consumers are either enjoying or shopping for more informal celebration occasions.

Execution of our growth drivers remains focused across channels. In the Off-Trade, we extended our leadership, ending FY25 with a 36% market share, and our sparkling wine consumer sales growth (+16%) outperformed the wider English Sparkling Wine category (+12%)³. The On-Trade saw continued expansion of listings and "by the glass" placements that support trial, rate of sale and future range increase opportunities. Internationally, we now have broad US availability via Jackson Family Wines (now 23 states) and a wider Global Travel Retail footprint (c.40 locations), with momentum gains in Norway and the UAE through our distribution partners.

3) Disciplined Capital Management

During this next phase of our growth, Chapel Down is increasingly leveraging its existing assets – vineyards, winery, maturing wines and engaged employees – to deliver sustained profitable growth and the majority of investment in vineyard assets has now taken place providing the agricultural and infrastructure base to support the Company's objectives.

We are building on our significant investments made in prior years. During the year we progressed the cultivation and establishment of our newer North Downs estates, Boxley Abbey and Buckwell, which remain on track to be fully productive from 2026 and 2027 respectively. This will support mix premiumisation and underpin our growth into the 2030's.

Our maturing stocks increased, supported by the above average, high-quality 2025 harvest (approx. 2.6m bottles expected to be produced), which provides reserves for future TMS releases.

We continue to manage our cost base sensibly, supported by prior investments in scalable technology and winery assets; and we maintain liquidity headroom through our £20m revolving credit facility with an accordion option to £30m, giving flexibility to fund maturing stocks and targeted brand investment while preserving financial discipline.

Outlook

Chapel Down has made a strong start to FY26, trading well ahead of the same period in the prior year across all key channels. Increased investment in proven marketing initiatives – including our high-profile sporting and cultural partnerships and expanded digital activity – is already yielding positive results, reinforcing our confidence in the brand's continued momentum. We expect strong sales growth and continued gross margin improvement for the financial year ahead, in line with expectations.

STRATEGIC UPDATE FROM THE CEO (CONTINUED)

We do however remain mindful of the broader macroeconomic backdrop. Whilst we are not seeing any immediate impact on trading from the conflict in the Middle East – our proportion of sales in that region is small and UK Easter trading has been in line with expectations – we continue to monitor the potential effect of rising fuel costs on consumer confidence and disposable income. Any sustained increase could have an impact on profitability, whilst associated input cost pressures on our viticulture and winemaking operations would be more likely to affect cashflow than profitability in the near term.

Notwithstanding these external uncertainties, the structural demand drivers for English Sparkling Wine remain intact, and Chapel Down's brand strength and distribution platform position us well to continue growing ahead of the category. Our ambition is unchanged: to deliver sustained profitable growth over the medium term, capturing an equivalent of 1% of global Champagne volumes by 2035 (with a target of 0.7% by 2030), whilst further cementing our position as the leader in English wine.

FINANCIAL REVIEW

- Net sales revenue increased by +19% to £19.4m (FY24: £16.4m). TMS wine, our strategic focus, grew +28% to £13.6m (FY24: £10.6m) with over 1 million bottles dispatched.

Off-Trade

- The Off-Trade channel delivered a year of strong growth +38% to £9.4m (FY24: £6.8m) driven by growing consumer demand and the normalisation of retailer stock levels following last year's one-off destocking.
- As a result of well-executed campaigns throughout the year, and distribution gains, Chapel Down outpaced the broader English Sparkling Wine category, with sparkling wine sales growing by +16% compared to the category's +12% growth³.
- Distribution momentum remained robust, with total listings increasing +5% to 6,612, supported by new wins across major retailers. Notable additions included the launch of Rosé in Tesco and the introduction of Grand Reserve in Waitrose.
- These combined gains in distribution and rate of sale helped extend Chapel Down's leadership in the Off-Trade channel with a 36% market share +1 ppt vs FY24³.
- Retailer stockholding levels normalised in FY25, with approximately £1m of FY25 growth attributable to lapping the one-off destocking experienced in FY24.

On-Trade

- Revenue increased +5% to £2.6m (FY24: £2.5m). This uplift understates the strong momentum building within the channel. Growth was underpinned by an expanding outlet base and new account wins, with FY25 additions including The Pig, The Rosewood, The Stafford, and the Ambassador Theatre Group.
- Performance is measured against a particularly strong FY24, which benefited from significant pipeline fill into newly secured national accounts – an activity not repeated in FY25.
- On-Trade distribution grew +12% to 2,764 outlets despite a challenging UK hospitality backdrop.
- Momentum was also evident in listings, which increased +29% to 5,998, reflecting a broader range of expressions listed within outlets, and more by-the-glass placements that support rate of sale and future expanded listings potential.
- Premiumisation remains a key driver and sales of Luxury and Super Premium sparkling wines grew +18%.

International

- The International channel delivered strong growth, with revenue up +49% to £1.0m (FY24: £0.7m), driven by new strategic partnerships and the continued expansion of Chapel Down's global footprint.
- Momentum in the US continues to accelerate following the successful launch of our new distribution partnership with Jackson Family Wines in H1. Chapel Down is now available in 23 states (FY24: 10), significantly extending our reach in what is the world's largest Champagne export market and a major long-term growth opportunity.
- Across wider export markets, Chapel Down is now distributed in 16 countries.
- Global Travel Retail remains a key part of the International channel and delivered +52% year-on-year growth⁴. Chapel Down is now listed in 40 key UK travel hubs (FY24: 35) alongside more than 50 onboard food and beverage distribution points. FY25 wins include the listing of Bacchus on Virgin Atlantic and a selection of wines on SeaDream Yacht Club.

STRATEGIC REPORT

FINANCIAL REVIEW (CONTINUED)

Channel performance overview

Net Sales Revenue by Channel	2025 £'000	2024 £'000	% Change
Off-Trade	9,371	6,790	+38%
On-Trade	2,575	2,460	+5%
International	1,018	684	+49%
Ecommerce	3,860	3,755	+3%
Retail, Tours and Events	2,216	2,241	-1%
Other income	403	421	-4%
Total Net Sales Revenue	19,443	16,351	+19%
<i>Of which is Direct-to-Consumer (DTC)</i>	6,404	6,331	+1%
<i>DTC % of Net Sales Revenue</i>	33%	39%	-6% pts

Direct-to-Consumer (DTC)

- DTC sales increased +1% to £6.4m (FY24: £6.3m), or +3% excluding the now-exited spirits category, reflecting continued strength in our direct-to-consumer relationships.
- Ecommerce growth accelerated in H2, rising +9% compared to last year on the back of strong summer trading and a successful Black Friday campaign. Both customer retention and new customer acquisition remained robust, with active customers rising +4% to 24,076.
- Our Brand Home in Tenterden continues to be a significant driver of engagement and advocacy. The site welcomed around 54,000 visitors and earned the TripAdvisor Traveller's Choice Award for the fourth consecutive year, placing Chapel Down among the top 10% of attractions worldwide⁵. Chapel Down also received a Quality Food & Drink accreditation from Visit England, recognising the excellence of our customer experience and hospitality offering.
- Tours at Tenterden grew modestly at 2%, impacted by a softer Q1 and limited capacity during peak periods. Momentum shown across Q4 at +24%, supported by strong growth in corporate tours at +25% and visitor trade-up into luxury experiences.
- Our events portfolio also continued to strengthen. Alongside our established presence at Pub in the Park, we expanded participation in FY25 to include Big Feastival, offering valuable sampling and trial opportunities to c.16,000 consumers over the summer.

- TMS remains our strategic focus, increasing its contribution of wine sales to 74% (FY24: 70%). TMS sales increased by +28% to £13.6m (FY24: £10.6m), reflecting the success of new listings across both the Off-Trade and On-Trade, as well as establishing strategic international partnerships. This performance was underpinned by rising consumer demand across all channels, reinforcing the strength and appeal of our core sparkling range.
- Still and other wines delivered a combined revenue increase of +6% to £4.7m (FY24: £4.5m). Highlights include new listings of A Touch of Sparkle Rosé in Waitrose, Bacchus on Virgin Atlantic, and 390 new outlets across the On-Trade.
- Spirits were fully exited by the end of FY24, in line with our strategic focus on core wine-led growth.
- Non-wine sales were flat year-on-year despite the planned wind-down of our Vine Lease and Vine to Wine initiatives which reduced our revenue compared to FY24, offset by the increase in tour revenues.

Gross margin

- Gross profit increased +16% to £9.2m (FY24: £7.9m), driven by higher net sales revenue. However, gross margin declined to 47.1% from 48.4% due to increased mix of sales into the lower-margin Off-Trade channel, as well as higher cost of goods that related mainly to selling TMS bottles from the 2022 harvest, which had been impacted by inflation on the cost of glass following Russia's invasion of Ukraine. These diluting factors of gross margin were partially offset due to a favourable shift in product mix towards high margin TMS, as well as the planned exit of the lower-margin spirits category in FY24.

STRATEGIC REPORT

FINANCIAL REVIEW (CONTINUED)

Product category performance overview

Net Sales Revenue by Product Category	2025 £'000	2024 £'000	% Change
Traditional Method Sparkling wine	13,557	10,582	+28%
Still and other wines	4,739	4,460	+6%
Total Net Sales Revenue (Wine)	18,296	15,042	+22%
Spirits	-	161	-100%
Non-wine sales	1,147	1,148	-
Total Net Sales Revenue	19,443	16,351	+19%

Administrative expenses

- Administrative expenses (excluding depreciation, amortisation and share-based payment expense) increased +12% to £7.7m as the Group increased marketing investment to £2.2m (FY24: £2.0m) to drive awareness and consumer purchase; and increased headcount across the organisation to support current and future growth.
- Depreciation and amortisation remained flat to FY24 (£0.4m) as there were no new significant productive assets capitalised. Our latest planted vineyards, Boxley Abbey and Buckwell, are on track to become fully productive in 2026 and 2027 respectively.
- Share-based payment expense of £0.2m relates to new LTIP grants in the year, compared to a reversal of charges in FY24 (£0.2m) due to conditions of prior LTIP grants no longer being met.

Fair value adjustment to biological produce

- Fair value movement in biological produce income was £0.6m (FY24: loss of £0.6m). The in-year fair value movement is a non-cash accounting adjustment for 'vicultural profit' during the year, which is calculated as the estimated market value of grapes, less the vintage's growing costs. The Group benefited from an above-average yield and high-quality grapes in the year.

Exceptional costs

- Exceptional costs of £0.2m related to the final expenses regarding the strategic review in FY24.

Balance sheet movements

- Working capital increased +16% to £29.5m (FY24: £25.5m) due to the cultivation and winemaking costs relating to the above-average 2025 harvest. We continue to build our stocks of maturing TMS to underpin our future growth and mitigate against potential poor harvests in the future.

- Net debt (excluding lease liabilities) increased to £12.4m (FY24: £9.2m) most notably due to biological asset development costs capitalised relating to the most recent vineyard plantings at Boxley Abbey and Buckwell; bottling of the 2024 harvests; and in year cultivation and costs relating to the above-average 2025 harvest. The Group has a Revolving Credit Facility (RCF) of £20m and an accordion option to extend the facility to £30m.
- Net assets increased +1% to £33.1m (FY24: £32.7m). The Board continues to believe the market value of the tangible assets is considerably higher than the IFRS reported book value.

1 Market leading 'Brand awareness' growth to 49% (2024: 42%), 'Penetration' growth to 20% (2024: 17%). Source: Savanta, BrandVue, Sparkling wine drinkers, MAT end December 2025 and December 2024.

2 Champagne Global shipments of 266 million bottles 2025, 271 million in 2024. Source: Comité Champagne (Champagne: 2025 shipment review and outlook. 17 January 2026) and (271 million bottles shipped in 2024. 18 January 2025).

3 Chapel Down sparkling wine growth was +16% (+17% for TMS wine) compared to English Sparkling Wine category growth of +12%. Chapel Down remains the market leader in the English Sparkling Wine category with 36% market share across the Off-Trade channel. Source: NIQ UK Sparkling Wines – 52 w/e 27th December 2025 vs 52 w/e 28th December 2024.

4 Source: Global Travel Retail consumer retail sales value as per Avolta, Lagardere and Harding data 1st January 2025 – 31st December 2025 vs 1st January 2024 – 31st December 2024.

5 Trip Advisor 2025 Travellers' Choice Awards.

6 In addition to the statutory measures, the Group also measures its performance by reference to Adjusted EBITDA. Adjusted EBITDA is an Alternative Performance Measure (APM), as defined within the European Securities and Markets Authority Guidelines on APMs. Adjusted EBITDA relates to profit from operations before interest, tax, depreciation, amortisation, share-based payment expense, exceptional items and fair value adjustments. Also see Note 30 to the Financial Statements on page 84.

SECTION 172 STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006 and have acted in accordance with these responsibilities during the year.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The Board has identified that its key stakeholders are:

- Employees
- Shareholders
- Customers
- Suppliers
- Community and Environment

Chapel Down's core values are:

- **Grounded** – Approachable, inclusive and open-minded
- **Responsible** – Accountability for delivery, as individuals and as a team, with a focus on sustainability
- **Ambitious** – Driven by our bold mission to change the way the world thinks about English wine
- **Proud** – Committed to quality and celebrating shared success
- **Entrepreneurial** – Pioneering, embracing challenges and seizing opportunities

These values are embedded in our continuous personal development programme and ensure that we act consistently in the interests of our stakeholders.

Throughout the year the Board considered the wider impact of strategic and operational decisions on the Company's stakeholders.



SECTION 172 STATEMENT

EMPLOYEES

Our employees are key to the long-term success of the Company. All employees receive a thorough induction. We have various engagement mechanisms in place, and we use the values above as the glue that binds the team. Regular reviews are conducted in addition to the frequent communication between management and employees to ensure that any concerns or issues are identified and resolved. Senior management remains accessible to all employees and the Company encourages a culture of feedback and resolution. Dedicated forums exist for cross-functional and company-wide information sharing and discussion. The Company provides training and coaching to managers and their team members, as well as social events to ensure we promote the well-being and integrity of the team.

SHAREHOLDERS

Our shareholders are essential to our success, often also serving as customers and brand ambassadors, making their support and engagement especially important for our business. Our executive leadership team regularly engages with our active community of retail shareholders through various forums. We communicate with our shareholders on a frequent basis through newsletters, corporate updates, AGM and more informally during their visits at our Brand Home in Tenterden or during other events. We also engage regularly with institutional investors to understand their views and receive feedback.

CUSTOMERS

Chapel Down's commercial team is in regular contact with our customers' key managers to ensure that Chapel Down's products are meeting or exceeding our customers' expectations. With our larger customers we agree on a joint business plan on an annual basis with regular reviews throughout the year. We monitor service levels regularly, encourage and act on customer feedback and have robust consumer complaints processes in place to identify any concerns and provide support to our consumers.

SUPPLIERS

We adopt an ethical and equitable approach with all our business partners and suppliers. We strive to have an open, constructive and effective relationship with growers and key suppliers through regular meetings and dialogue. This ensures proactive identification of potential risks and allows the Company to work with the supplier to mitigate these where possible.

COMMUNITY AND ENVIRONMENT

We are committed to making a positive contribution to the communities in which we operate. Where possible we try to source locally whether that is for our shop, vineyards, winery or restaurants. We support sports and the arts through our sponsorship activities nationally and support local charities and events in the Kent area. We also hold regular sessions with our customer advisory panel that includes diversity and sustainability experts, to help support the management team on key issues that could impact the Company and its key stakeholders. The Company is a founder member of the development of the Sustainable Wines of Great Britain scheme, which was launched in 2020. This scheme provides an independently audited certification that ensures vineyards and wineries adhere to sustainable practices.

This report was approved by the Board on 28 April 2026 and signed on its behalf.

J.R.S. Pennefather
Director



BUSINESS RISKS AND UNCERTAINTIES

FOR THE YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

The Board regularly reviews the risks, opportunities and threats to which the Group is exposed and ensures through its meetings and regular reporting that it has effective risk management and internal controls to execute and deliver on the Group's long-term strategy. A comprehensive Risk Register is maintained for review in Board meetings, which documents an assessment of the likelihood and severity of risks considered, and details the preventative mitigations planned or in place, and the reactive mitigation actions available to minimise impacts.

The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively.

The major risks evaluated during the year included:

CLIMATE CHANGE, POOR WEATHER OR CROP DISEASE

Grape yields and product quality can be affected by certain adverse weather patterns such as late frosts during the growing season. The Group's owned, managed and third-party contract grower vineyards are diversified and spread across various areas in the South East of England.

The Group monitors frost or inclement weather through the use of weather stations across the vineyards and mechanisms are applied when this risk is heightened around bud burst. Pruning, tying down and canopy trimming are also performed at appropriate times during the annual vineyard cycle to maximise grape yield and quality.

It is possible that crop disease, fungal infections or other natural blight could affect grape yields and product quality. These risks can be mitigated through good viticulture practices, for example vineyards are sprayed with chemicals, fungicides and fertilisers at appropriate points during the year using a risk-focused approach to ensure optimum quality and yield are achieved in prevailing climate conditions.

The Group also sources grapes from multiple vineyards to reduce exposure to single-site risks and it closely monitors stock levels to minimise the impact of lower yielding harvests that may result from poor weather or crop disease.

The Group employs a highly experienced viticulture team that ensures vineyards are well maintained and puts measures in place to proactively mitigate against poor weather and crop disease where possible.

Furthermore, the Group ensures sufficient stock is held in reserve to mitigate volatility of harvest yield and quality year on year.

However with climate and weather-related risks, there is no guarantee that these mitigation techniques completely remove the risk of crop related diseases impacting grape yield and product quality and, as a result, the Group's financial performance.

REPUTATION AND BRAND RECOGNITION

The reputation of the Chapel Down brand is integral to the success of the Group and its planned growth over the coming years. Consumers rely heavily upon many factors that, in part, lie outside the control of the Group, such as online reviews, blogs and media coverage. Negative reviews from customers with significant numbers of followers could have a detrimental impact upon the reputation of the Group.

The Group has a dedicated internal and third-party public relations team in place to actively monitor and engage through various media channels with the public to ensure the Chapel Down brand is perceived at the highest standard.

However, there can be no assurances that coverage will always be positive. Negative press coverage, or a reduction in press coverage could have a detrimental impact on the Group's reputation, financial condition and results from operations.

REDUCTION IN QUALITY

The success of the Group's business depends upon the high quality of its products. A lack of quality in the products or contamination could harm the integrity of, or consumer support for, the Group's brand and could adversely affect sales.

The Group relies in part on third parties for bottling, packaging and distribution, although a large proportion of the production process is managed by the Group in-house. The Group may be subject to liability if contaminants or defects occur in the bottling or post-production handling processes, such contamination could lead to low product quality or illness or injury to consumers. In addition, while to date the Group has not had any product recalls, the Group may in the future voluntarily recall or withhold from sale, or be required to recall or withhold from sale, products in the event of contamination or default.

BUSINESS RISKS AND UNCERTAINTIES

REDUCTION IN QUALITY (CONTINUED)

The Group has various quality control measures in place across its supply chain, both internally and with third parties to reduce the possibility of poor-quality products being released to the market. These include trials; product testing; and diligent complaints monitoring and feedback to production teams or third parties. Furthermore, the Group has experienced employees that are qualified and trained to identify quality risks; and has relationships only with reputable, experienced third parties where required.

A significant product liability judgment or widespread product recall may negatively impact the reputation of the Group's brand for a period of time. Even if a product liability claim is unsuccessful or is not fully pursued, resulting negative publicity could adversely affect the Group's brand image, which may have a material adverse effect on the Group's prospects, results of operations and financial condition.

KEY PERSONNEL AND RETAINING HIGHLY SKILLED INDIVIDUALS

The Group's success will depend to a large extent on the experience and talent of key personnel, in particular, on the continued services and performance of its executive Directors and senior management, and also on its ability to recruit and retain suitably qualified and experienced employees (such as suitably experienced and competent viticulture and winemaking employees). The loss of the services of these employees and a failure to replace them with similar levels of experience and knowledge could have an adverse effect on the Group's operations. Finding and hiring any such replacements could be costly and might require the Group to offer significant incentive compensation which could adversely impact financial results.

The Group looks to minimise this risk through competitive remuneration and incentive policies which is regularly reviewed by the Remuneration Committee (see report on pages 34 to 39); active training and development programmes; succession planning; and having access to additional talent to ensure business continuity.

RETENTION OF KEY CUSTOMERS

The Group's revenue is generated from trade customers and direct sales to consumers. The Group has some concentration of key customers in the trade channels (see note 4 to the consolidated financial statements). The relationship of the Group with its key trade customers could be materially adversely affected by a number of

factors, including a decision by a key trade customer to diversify or change its arrangements in relation to the products supplied by the Group, or by an inability to agree on mutually acceptable pricing terms with any one of its key trade customers. If the Group's commercial relationships with any of its key trade customers terminates for any reason, or if one of its key trade customers significantly reduces its business with the Group and the Group is unable to enter into similar relationships with other customers on a timely basis, or at all, it may have a material adverse effect on the Group's business, prospects, and financial condition.

The Group's commercial teams hold annual Joint Business Plan (JBP) discussions with its key off-trade customers to agree the main terms of trade and scale of the trading relationship over the coming year. This aids management in planning for stock allocations to each customer and channel as part of the annual budgeting process to ensure an optimised, risk-managed sales strategy at Group level. The commercial teams have regular engagement with significant trade customers to ensure positive relationships are maintained, and to identify any future risks and put mitigating actions in place.

The Group also has a broad distribution network across multiple channels which provides opportunities to mitigate against short-term loss of revenue from specific customers and is actively increasing its distribution footprint into new customers which reduces this risk.

REGULATORY CHANGES

The Group's products are subject to various laws, regulations and standards. There can be no assurance that future laws, regulations and/or standards will not have an adverse effect on the manner in which the Group operates. Changes to health, food and drink safety regulations, as well as changes in licensing or advertising regulations could increase costs and may also have an adverse effect on demand. Changes to laws and regulations or additional taxes relating to manufacturing, bottling and packaging requirements may impact the Group's ability to produce certain types of wines and impact on costs.

The Group closely monitors potential changes in laws and regulations through various internal processes and discussions with external advisors on a regular basis. Any significant changes are discussed at Board level and maintained in the Group's Risk Register, which is reviewed regularly by the Board. Mitigating actions are taken across our value chain where deemed appropriate.



BUSINESS RISKS AND UNCERTAINTIES

SUPPLY CHAIN DISRUPTION

The Group's business could be adversely affected if there were a significant disruption to any of the Group's production, storage or distribution operations. The Group uses a broad range of suppliers for various products and services, however given the specialist nature of winemaking, certain key services are performed by specialist suppliers. In the event of significant disruption to any one of the Group's production, packaging or distribution providers, the Group might not be able to arrange for alternative suppliers on as favourable terms, or with sufficient speed to ensure continuity of business.

Where possible, the Group has a diversified supplier base and continuity plans in place should there be disruption to any specific supplier. The Group also uses, where possible, products and services that are generic enough to be substituted by alternative suppliers and often purchases across multiple suppliers for the same type of product to ensure business continuity.

Where possible, the Group aims to enter into longer term pricing agreements to mitigate against fluctuations in costs and support longer term cash flow planning. Positive relationships are maintained through regular discussions and any increase in price is usually shared early in advance, discussed with suppliers and considered in the cash flow forecasts for the Group.

The Group actively manages its stockholding of raw materials to mitigate against short-term disruptions and engages with suppliers long in advance to agree quantities, timing of orders and payment terms.

In relation to the Group's storage facilities, if there were a fire, explosion or any other event resulting in a major or prolonged disruption at any of the facilities used by the Group, this could result in a significant loss of stock which could have a material adverse effect on the Group's prospects, results of operations and financial condition. The Group mitigates this risk by diversifying its stockholding across multiple sites and has comprehensive insurance to the value of the stock in storage.

BUSINESS INTERRUPTION DUE TO MACRO FACTORS

The Group's business could be adversely affected if there were a significant disruption resulting from external material impacts such as pandemics, natural disasters, loss of power, water or other utility supply.

The Group has various business continuity plans and health and safety protocols in place to mitigate against business interruption. These include: adopting a remote

workplace environment (where possible) using existing IT infrastructure; backup power and water facilities to support short-term interruption; and having sufficient stockholding of raw materials in place to support operations; and sufficient finished products on hand to ensure continuity of supply to our customers.

The Group also has access to various third-party suppliers that support in most of its operations to ensure disruption to key operations like harvest, winemaking and bottling can be mitigated.

The Group also has access to a revolving credit facility ("RCF") to provide sufficient liquidity should there be a need on a short-term basis and has internal controls in place to ringfence an allowance for such situations.

These, and other measures, will support the Group in maintaining service levels to customers whilst maintaining key operations. However, it should be noted whilst mitigating actions can be taken, there is no guarantee that the risk of a material macro disruption can be fully mitigated.

CYBER SECURITY

The Group uses information technology systems for the processing, transmission and storage of electronic data relating to its operations, financial reporting and customer base. Communications among the Group's personnel, customers and suppliers relies on the efficient performance of information technology systems. Despite the Group's security measures and safeguarding controls in place, its information technology and infrastructure may inherently be vulnerable to malicious attacks, computer viruses and malicious code or may be breached due to employee error, malfeasance or affected by other disruptions. In the event of significant and long-lasting failure or denial of service attack at one of the Group's critical suppliers, significant trade partners or Chapel Down's website, the Group's e-commerce platform may be unavailable to consumers for an extended period. If one or more such events occur, it could cause disruptions or delays to the Group's operations, which could expose the Group to liability and cause its business and reputation to suffer.

The Group has adopted a largely digital IT infrastructure, which is safeguarded through multiple layers of security and a diversified reputable provider base. Regular backups are maintained to ensure there is limited loss of data. Robust continuity plans are in place to support all stakeholders, including employees, suppliers and customers, to limit disruption and reinstate services quickly.

The Group also has Cyber Insurance in place to mitigate against financial costs associated with such incidents.

BOARD OF DIRECTORS

**We have an experienced and talented Board of Directors.
It is a team who are motivated to grow long-term shareholder value.**



MICHAEL SPENCER

Non-Executive Director

Michael was appointed to the Board in June 2023, appointed as Non-Executive Chair in September 2025, and is currently Chairman of IPGL Ltd. Michael is a Member of the House of Lords and founded Nex Group, formerly ICAP.



JAMIE BROOKE

Independent Non-Executive Director

Jamie has held position as a NED on the Board since 2013 and is the Chair of the Audit Committee. He previously held positions as fund manager at both Henderson Global Investors and Lombard Odier Investment Managers.



JAMES PENNEFATHER

Chief Executive Officer

James is the CEO of the Company, having been appointed in February 2025. He has worked in the premium drinks industry for over 25 years and has held various roles including CEO of The Lakes Distillery Company plc as well as senior management roles at William Grant & Sons and Diageo.



SIMON LITHERLAND

Independent Non-Executive Director

Simon was appointed to the Board in August 2025. Simon was CEO of Britvic plc from 2013 to 2025 and previously held senior leadership roles at Diageo across Great Britain, South Africa, and Europe. He is a member of both the Audit Committee and the Remuneration Committee.



LOUAN MOUTON

Chief Financial Officer

Louan is the CFO of the Company, having been appointed in April 2025. Louan is a Chartered Accountant with significant experience in consumer goods organisations, including Group Finance Director at Fevertree Drinks plc and CFO at Typhoo Tea Ltd.



SAMANTHA WREN

Independent Executive Director

Samantha has been a member of the Board since 2019 and is the Chair of the Remuneration Committee. Samantha is also the Chair of the Audit and Risk committee at Schroder Japan Trust and Senior Independent Director and Audit & Risk Chair of Next15 plc.



NIGEL WRAY

Non-Executive Director

Nigel was appointed to the Board in 2004 and is a well-known private investor.

EXECUTIVE LEADERSHIP TEAM

We are delighted to introduce you to our passionate Leadership Team with significant drinks and investment experience.



JAMES PENNEFATHER

Chief Executive Officer

James is the CEO of the Company, having been appointed in February 2025. He has worked in the premium drinks industry for over 25 years and has held various roles including CEO of The Lakes Distillery Company plc as well as senior management roles at William Grant & Sons and Diageo.



LOUAN MOUTON

Chief Financial Officer

Louan is the CFO of the Company, having been appointed in April 2025. Louan is a Chartered Accountant with significant experience in consumer goods organisations, including Group Finance Director at Fevertree Drinks plc and CFO at Typhoo Tea Ltd.



JOSH DONAGHAY-SPIRE

Operations Director & Head Winemaker

Chapel Down Group Winemaker since 2010 and promoted to Operations Director in 2022. Having graduated at Plumpton College, Josh has previous winemaking experience in Champagne, Alsace and Stellenbosch.



TOM HEPWORTH-BOND

Sales Director

Chapel Down Group Sales Director since 2021. Formerly held senior sales roles at Chase Distillery and Bibendum.



LIAM NEWTON

Chief Marketing Officer

Chapel Down Group CMO since 2022. Former VP of Marketing at Carlsberg, as well as senior marketing roles at Bacardi, AB InBev and Nestlé Rowntree.



DENISE CLAXTON

People Manager

Chapel Down Group People Manager since 2024. Extensive senior HR experience within the wine industry, including Liberty Wines.



CORPORATE GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

The Board of Chapel Down Group plc is committed to evolving and strengthening its standards of corporate governance. The Company has adopted the Quoted Companies Alliance Corporate Governance Code ("QCA Code"), which sets out recommended best practices for small and mid-size quoted companies, as the Board believes this to be the most appropriate framework and point of reference for governance standards in a public company of our size, complexity and stage of development.

Over the past year the Board has continued to develop its governance framework whilst also ensuring that we take a proportionate approach and that our processes remain fit for purpose and embedded within the culture of our organisation. Strong governance underpins our ability to deliver sustainable growth and protect the reputation of Chapel Down Group plc for the benefit of all stakeholders, including employees, shareholders, customers, suppliers and the wider community.

The Board is responsible for formulating, reviewing and approving the Company's strategy to achieve its long-term goals, establishing and maintaining an appropriate control environment to provide comfort around the risk exposure of the Company, monitoring financial activities and operating performance, and enhancing shareholder value.

The Board meets formally at least four times per year for these purposes and holds additional meetings when necessary. These meetings are held in person wherever possible, but also through video conferencing and by telephone if necessary. The Board receives reports for consideration on all significant strategic, operational and financial matters. There have been no corporate governance challenges nor adverse governance-related matters reported over the past year.

Day-to-day management is devolved to the Executive Directors, who are charged with consulting the Board on all significant financial and operational matters. The Board retains ultimate accountability for governance and is responsible for monitoring the activities of the executive team.

In line with best practice, the roles of Chair and Chief Executive Officer (CEO) are split, with a clear separation of duties and responsibilities to promote independence. The Chair is responsible for the leadership and effective working of the Board, for setting the Board agenda, and ensuring that Directors receive accurate, timely and clear information.

The CEO has the overall responsibility for creating, planning, implementing, and integrating the Company's strategic direction. This includes responsibility for all components and departments of the business. The CEO ensures that the organisation's leadership maintains a constant awareness of both the external and internal competitive landscape, opportunities for expansion, customer base, markets, new industry developments and standards.

BOARD AND COMMITTEE COMPOSITION

The Board consists of seven Directors, being:

- Non-Executive Chair – Michael Spencer
- Chief Executive Officer – James Pennefather
- Chief Financial Officer and Company Secretary – Louan Mouton
- Non-Executive Director – Jamie Brooke
- Non-Executive Director – Simon Litherland
- Non-Executive Director – Nigel Wray
- Non-Executive Director – Samantha Wren

Jamie Brooke, Simon Litherland and Samantha Wren are considered by the Board to be independent Directors under the terms of the QCA Code. The Board considered it appropriate to nominate Jamie Brooke as the senior independent Director.

The Audit Committee consists of Jamie Brooke (Chair), Simon Litherland and Samantha Wren. The Remuneration Committee consists of Samantha Wren (Chair), Jamie Brooke and Simon Litherland. Both key committees thus fully comprise independent members, in line with the recommendations of the QCA Code. The reports of these committees are provided on pages 32 to 39.

CORPORATE GOVERNANCE STATEMENT

BOARD AND COMMITTEE COMPOSITION (CONTINUED)

The following table shows the attendance records of the Directors at the Board and Committee meetings held during the year:

Role	Director	Board	Audit Committee	Remuneration Committee
Ex-Chair ¹	Martin Glenn	4	1	1
NED/Chair ²	Michael Spencer	5	-	-
Ex-CEO ³	Andrew Carter	-	-	-
CEO ⁴	James Pennefather	6	2	2
Ex-CFO ⁵	Robert Smith	2	1	1
CFO ⁶	Louan Mouton	5	1	2
NED*	Jamie Brooke	6	2	2
NED* ⁷	Simon Litherland	2	1	1
NED	Nigel Wray	5	-	-
NED*	Samantha Wren	5	2	2
Formal meetings held		6	2	2

* Denotes independent Director

1 Resigned 24 September 2025

2 Appointed as Chair 24 September 2025

3 Resigned 31 January 2025

4 Appointed 1 February 2025

5 Resigned 8 April 2025

6 Appointed 8 April 2025

7 Appointed 27 August 2025

It should be noted that, in addition to formal meetings held, the Board and Committee members met on various other occasions during the year.

ALIGNMENT WITH THE QCA CODE

The QCA Code sets out a standard of best practice for small and mid-sized UK quoted companies. It is designed to be a foundational guide that is pragmatic, practical and proportionate. The code is constructed around ten broad principles, which are designed to deliver growth, maintain a dynamic management framework and build trust.

These principles were revised in November 2023 for application in Annual Reports for years beginning 1 April 2024 and subsequently. Accordingly, this Corporate Governance Statement is the first to be issued by the Company since the 2023 QCA Code revision.

The ten principles of the QCA Code are applied by the Board as follows:

Principle 1: Establish a strategy and business model which promote the long-term value for shareholders

The Company's purpose is embodied in its mission "To change the way the world thinks about English wine".

We are working to achieve this purpose by producing and sourcing excellent fruit, for still and sparkling wines, to create a world-class brand with high levels of awareness and desire. A strong brand will enable us to become more widely recognised as the UK's leading English wine producer and widen availability across all channels of trade in the UK. The Board is focused on delivering its long-term strategic plan that will drive the operational efficiency and scale benefits of this strong brand, to promote long-term shareholder value.

CORPORATE GOVERNANCE STATEMENT

Principle 1: Establish a strategy and business model which promote the long-term value for shareholders (continued)

The Company publishes a Strategic Report within its Annual Report (see pages 11 to 17) which details the Company's business model and the Company's long-term objectives. Also, within the Annual Report, the Company produces a review of Business Risks and Uncertainties (see pages 19 to 21) to set out the significant risks faced by the Company and explain how they are mitigated to protect shareholder value.

Principle 2: Promote a corporate culture that is based on ethical values and behaviours

The Board aims to lead by example when looking after the best interests of its employees, customers, suppliers, shareholders, the community and environment.

Chapel Down has an employee handbook which covers the Company's Vision and Values, standards of conduct, diversity policy, anti-bribery, and anti-bullying and harassment policies. In addition, there is a Share Dealing Policy and Code in place as well as detailed GDPR guidelines.

During the year, the employees of the Company reviewed its values collectively and an evolved set of values were created. The values of the Company are well understood by all employees and are reinforced consistently in development plans, workstreams and during various engagements with employees. These values seek to promote and deliver a strong and ethically sound corporate culture that supports consistent delivery of the Company's purpose and strategic objectives, whilst ensuring cohesive ways of working and interactions.

- **Grounded** – Approachable, inclusive and open-minded
- **Responsible** – Accountable for delivery, as individuals and as a team, with a focus on sustainability
- **Ambitious** – Driven by our bold mission to change the way the world thinks about English wine
- **Proud** – Committed to quality and celebrating shared success
- **Entrepreneurial** – Pioneering, embracing challenges and seizing opportunities

Principle 3: Seek to understand and meet shareholder needs and expectations

The incentivisation of Executive Directors is primarily through share incentive plans which are long term by nature to ensure executives are aligned to shareholder needs and expectations. In addition, all shareholders are encouraged to attend the AGM and General Meetings where possible. The Company seeks input as appropriate from our nominated adviser and broker, our independent auditor plus legal and other advisers.

The Company keeps shareholders informed through shareholder mailings and communication through our website and other media. Many are also customers and that enables a constructive and helpful dialogue. Larger institutional shareholders have the opportunity to meet directly with management. The Company also ensures that Investor information is detailed on the Chapel Down website.

Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success

The Board recognises the importance of its relationship with its employees, customers, suppliers, shareholders, the community and environment.

The Board has identified that its key stakeholders are:

- Employees
- Shareholders
- Customers
- Suppliers
- Community and Environment

Throughout the year the Board considers the wider impact of strategic and operational decisions on the Company's stakeholders.

CORPORATE GOVERNANCE STATEMENT

Principle 4: Take into account wider stakeholder interests, including social and environmental responsibilities, and their implications for long-term success (continued)

EMPLOYEES

Our employees are key to the long-term success of the Company. All employees receive a thorough induction. We have various engagement mechanisms in place, and we use the values above as the glue that binds the team. Regular reviews are conducted in addition to the frequent communication between management and employees to ensure that any concerns or issues are identified and resolved. Senior management remains accessible to all employees and the Company encourages a culture of feedback and resolution. Dedicated forums exist for cross-functional and company-wide information sharing and discussion. The Company provides training and coaching to managers and their team members, as well as social events to ensure we promote the well-being and integrity of the team.

SHAREHOLDERS

Our shareholders are essential to our success, often also serving as customers and brand ambassadors, making their support and engagement especially important for our business. In all of its decision making, the Board ensures that it acts fairly regarding members of the Company. We have an active community of retail shareholders that engage in productive dialogue with the executive leadership team through various forums. We communicate with our shareholders on a frequent basis through newsletters, corporate updates, AGM and more informally during their visits at our Brand Home in Tenterden or during other events. We also engage regularly with institutional investors to understand their views and receive feedback.

CUSTOMERS

Chapel Down's commercial team is in regular contact with our customers' key managers to ensure that Chapel Down's products are meeting or exceeding our customers' expectations. With our larger customers we agree on a joint business plan on an annual basis with regular reviews throughout the year. We monitor service levels regularly, encourage and act on customer feedback and have robust consumer complaints processes in place to identify any concerns and provide support to our consumers.

SUPPLIERS

We adopt an ethical and equitable approach with all our business partners and suppliers. We strive to have an open, constructive and effective relationship with growers and key suppliers through regular meetings and dialogue. This ensures proactive identification of potential risks and allows the Company to work with the supplier to mitigate these where possible.

COMMUNITY AND ENVIRONMENT

We are committed to making a positive contribution to the communities in which we operate. Where possible we try to source locally whether that is for our shop, vineyards, winery or restaurants. We support sports and the arts through our sponsorship activities nationally and support local charities and events in the Kent area. We also hold regular sessions with our customer advisory panel that includes diversity and sustainability experts, to help support the management team on key issues that could impact the Company and its key stakeholders. The Company is a founder member of the development of the Sustainable Wines of Great Britain scheme, which was launched in 2020. This scheme provides an independently audited certification that ensures vineyards and wineries adhere to sustainable practices.

Principle 5: Embed effective risk management, internal controls and assurance activities, considering both opportunities and threats, throughout the organisation

The Board regularly reviews the risks, opportunities and threats to which the Company is exposed and ensures through its meetings and regular reporting that it has effective risk management and internal controls to execute and deliver on the Company's long-term strategy.

The maintenance of strong financial controls is the responsibility of the CFO and is overseen by the Audit Committee.

See the separate sections of the Annual Report for further information on:

- Business Risks and Uncertainties (pages 19 to 21)
- Audit Committee Report (pages 32 to 33)
- Independent Auditors' Report (pages 50 to 54)

Principle 6: Establish and maintain the Board as a well-functioning, balanced team led by the chair

The Board's role is to agree the Company's long-term direction and strategy and monitor achievement of key milestones against its business objectives. The Board and its Committees meet formally and informally on a frequent basis during the year – see the schedule on page 26 for meetings held.

The Board is comprised of a Chief Executive Officer (CEO), Chief Finance Officer and Company secretary (CFO) and five Non-Executive Directors (NEDs) of which one is Non-Executive Chair. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director.

CORPORATE GOVERNANCE STATEMENT

Principle 6: Establish and maintain the Board as a well-functioning, balanced team led by the chair (continued)

The Company constantly keeps under review the constitution of the Board and may seek to add more members as required as the Company grows and develops. In particular, the Board recognises that its membership does not yet reach the ideal proportion of 50% independent membership suggested by the QCA Code. However, the Board considers the number of independent Directors to be adequate for the Company's present stage of development, size and complexity of operations to provide the necessary challenge to the Executive and non-independent Directors.

Jamie Brooke, Simon Litherland and Samantha Wren are considered by the Board to be independent Directors under the terms of the QCA Code. The independent Directors do not take an active role in the day-to-day operations of the Company, do not have significant shareholdings in or share options with the Company, and do not have any material business relationships or recent employment relationships with the Company, any related company or any of its Executive Directors. In the period since the publication of the 2024 Annual Report, Samantha Wren was designated as an independent Director following a review by the Board, having demonstrably met the independence criteria suggested by the QCA Code.

The Board currently comprises a male Non-Executive Chair, two male Executive Directors, three male Non-Executive Directors and one female Non-Executive Director. Chapel Down aims to have a diverse Board and promotes inclusivity and diversity across the business. The Board is confident that it has a sufficient range of individual perspectives to deliver a robust decision-making process in the context of the Company's business model and stage of development as a business. Nevertheless, the diversity of the Board is continuously considered as part of the succession planning process and any emerging requirements to expand its membership.

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities

The Board is responsible for setting the vision and strategy for the Company to deliver value to the Company's shareholders by effectively putting in place its business model.

Nominations for Board members are decided by the Board as a whole, following recommendations by the Remuneration Committee. The Company does not currently have a Nominations Committee, and the Board deems it appropriate given the Company's stage of development, size and complexity of operations.

The roles and responsibility of the Chief Executive Officer, Non-Executive Chair and other Directors are laid out below:

- The Chief Executive Officer's primary responsibilities are to: implement the Company's strategy in consultation with the Board; take responsibility for the Company's strategic initiatives; oversee the Company's operations on a day-by-day basis; implement the decisions of the Board; monitor, review and manage key risks; act as the Company's primary spokesperson to communicate with external audiences such as investors, analysts and media; and be responsible for the administration of all aspects of the Company.
- The Non-Executive Chair's primary responsibilities are to: lead the Board and to ensure the effective working of the Board; in consultation with the Board, ensure good corporate governance and set clear expectations with regards to the Company culture, values and behaviour; set the Board's agenda and ensure that all Directors are encouraged to participate fully in the decision-making process of the Board and take responsibility for relationships with the Company's professional advisers and major shareholders.
- The other Executive Directors' primary responsibilities are within their role's functional remit concomitant with their roles in the Company and the Board. They participate fully in all Board level decisions and regularly report on their field of operation to the Board.
- The Company's Non-Executive Directors ("NEDs") participate in all Board decisions and play a particular role in the determination and articulation of strategy. The Company's NEDs provide oversight and scrutiny of the performance of the Executive Directors, whilst both constructively challenging and inspiring them, thereby ensuring the business develops, operates within its risk management framework, and that the agreed strategy is communicated and executed.
- The Company Secretary is responsible for ensuring that Board procedures are followed, and applicable rules and regulations are complied with.

The Board of Chapel Down has a wide skill set which has developed and evolved over the last twenty years as the Company has grown. The profile of the Company and brand demand that we ensure that the Board has considerable high-level functional experience covering Corporate Finance and Governance, Performance Management, Brand Marketing, Commercial Management, Negotiation, Legal skills and UK listed companies NED skills in addition to entrepreneurial nous. The Chair is responsible for reviewing its composition annually.

CORPORATE GOVERNANCE STATEMENT

Principle 7: Maintain appropriate governance structures and ensure that individually and collectively the directors have the necessary up-to-date experience, skills and capabilities (continued)

Biographies of the Directors can be found on the Company's website and in the Board of Directors section on page 22.

The Board has implemented an effective committee structure to assist in the discharge of its responsibilities, in line with the recommendations of the QCA Code. All committees of the Board have written terms of reference dealing with their authority and duties. Membership of the Audit and Remuneration Committees is fully comprised of independent Non-Executive Directors, each of whom has substantial relevant experience in similar oversight and governance roles with other UK businesses.

The Remuneration Committee advises the Board on succession planning considerations. There is no formal Nominations Committee in place at this stage of the Company's development. The need for a separate Nominations Committee to further promote strong governance is regularly considered by the Board, in line with the recommendations of the QCA Code. The Remuneration Committee performs a Board effectiveness review on an annual basis and performs recruitment activities for new Directors when required.

The Board also utilises specialist advice from external providers where required in the normal course of business.

Details of the Company's advisers are given on page 102.

The Executive Directors' contracts are available for inspection, as are the Letters of Appointment for the Non-Executive Directors, at the registered office and at the time of the AGM.

Principle 8: Evaluate Board performance based on clear and relevant objectives, seeking continuous improvement

Board meetings are held at least four times per year and are an effective opportunity to measure the performance of the business against its KPI's and long-term strategy. Reviews of Executive Directors' performance are held annually and reviewed regularly. Board Directors are re-elected every three years.

During the year the Board appointed new individuals to both Executive Director positions, as detailed in the Chair's Report on page 8. These appointments were the outcome of the Board's succession planning process, and their effectiveness is subject to ongoing review.

The last externally facilitated review of Board performance was a Strategic review commissioned by the Board following the Company's listing on the AIM market in December 2023. The outcome of this review was discussed in the 2024 Annual Report. The need for a future, similar review is regularly considered by the Board in light of the Company's progress towards its long-term objectives.

Principle 9: Establish a remuneration policy which is supportive of long-term value creation and the company's purpose, strategy and culture

The Board has established an effective remuneration policy to motivate all employees, reinforce the Company's culture and promote long-term shareholder value. This includes incentive schemes for Directors, management and other employees which are aligned with achievement of the Company's objectives.

Oversight of this policy is the responsibility of the Remuneration Committee and is detailed in their report on pages 34 to 39.

Principle 10: Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other key stakeholders

The Company communicates regularly with its shareholders through the issue of the Annual Report and accounts, through full-year, half-yearly and other regulatory announcements, and through regular discussions with significant existing or potential shareholders, and other key stakeholders including financial lenders.

The Company holds an Annual General Meeting to which shareholders are invited and are encouraged to ask questions of management.

Shareholders are often customers and enjoy benefits commercial benefits, include visiting the Company's main premises and attending exclusive shareholder events, giving further opportunities for dialogue and feedback to the business, senior management and Executive Directors.

Shareholders receive a regular e-mail news communication from the Company and have their own dedicated email address on which to raise any queries or concerns. We aim to respond to all shareholder questions within 48 hours.

Chapel Down Group Plc





AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

On behalf of the Board and the Audit Committee, I am pleased to present this report for the year ended 31 December 2025. As part of the continued development of the Board's governance framework, this is the first Audit Committee report to be included in the Annual Report for the Group.

ROLE AND COMPOSITION OF THE COMMITTEE

The activities of the Audit Committee are governed by its Terms of Reference, which can be found on the Group's website.

The Committee is chaired by Jamie Brooke and now comprises three independent Non-Executive Directors. The Board is satisfied that the Committee Chair has recent and relevant financial experience for the role.

The CFO, external audit lead partner and other senior members of senior management are invited to attend and address meetings of the Committee on a regular basis as appropriate. The Non-Executive Directors are also provided with opportunities to discuss matters with the external auditor without Executive Directors or other managers being present. The Audit Committee normally meets at least twice per year, with additional meetings as required. The Committee and attendance for the year was:

Audit Committee Members	Attendance
Jamie Brooke (Chair)	2/2
Samantha Wren	2/2
Simon Litherland ¹	1/1
Martin Glenn ²	1/1

1 Simon Litherland was appointed on 27 August 2025

2 Martin Glenn resigned on 24 September 2025

RESPONSIBILITIES OF THE AUDIT COMMITTEE

- Monitoring and discussing with management the integrity of the financial statements of the Group, including the annual and half-yearly report and any other formal statements relating to its financial performance.
- Reviewing and reporting to the Board on significant financial reporting issues and judgements which the financial statements, interim reports, preliminary announcements and related formal statements contain having regard to matters communicated to it by the external auditor.
- Reviewing the Company's risk management and internal financial and non-financial control systems, including procedures for detecting fraud, and at least annually, carrying out a review of their effectiveness.
- Reviewing the Company's attitude to and appetite for risk and its future risk strategy, and how risk is reported internally and externally.
- Considering at least annually the need for an internal audit function, making any recommendation to the Board.
- Considering and making recommendations to the Board, to be put to shareholders for approval at the Company's AGM, on the appointment, reappointment or removal of the Company's external auditor as well as negotiating and agreeing their terms of engagement. The fees paid to the external auditor are disclosed in note 7 to the consolidated financial statements.
- Reviewing and assessing, on an annual basis, the external auditors' independence and objectivity including an assessment of the qualifications, expertise and resources of the external auditor.
- Developing and recommending to the Board, and implementing, the Company's formal policy on the external auditors' provision of non-audit services. The nature of any non-audit services provided is also disclosed in note 7 to the consolidated financial statements. Review the Company's systems and controls for ethical behaviour and the prevention of bribery, corruption and modern slavery and receiving reports on non-compliance.
- Reviewing the effectiveness, adequacy and security of the Company's whistleblowing arrangements for its employees and contractors to raise concerns, in confidence and anonymously, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow-up action.



AUDIT COMMITTEE REPORT

SIGNIFICANT FINANCIAL REPORTING ISSUES CONSIDERED

The Audit Committee considers whether the Financial Statements give a true and fair view of the Group's position and provide the necessary information for shareholders to assess the Group's performance, business model and strategy. In so doing, the Audit Committee assesses whether suitable accounting policies were adopted and considers the reasonableness of key estimates and judgments used in the preparation of the Financial Statements.

The Audit Committee was satisfied that the 2025 Financial Statements are fair and achieved these objectives. Key risk areas considered by the Audit Committee in making this assessment included the following:

- Going concern assessment;
- Fair value adjustment to Biological Produce;
- Impacts of the Quoted Companies Alliance ("QCA") Code updated in 2023 that came into effect this year.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Audit Committee is responsible for reviewing the risk management and internal control framework and ensuring that it operates effectively. The Committee supports the Board in its overall responsibility for risk management activities and implementing policies to ensure that risks are evaluated, measured and kept under review by way of appropriate KPIs. Presentations from senior management across the business are provided to the Board to further develop information, understanding and debate on risks. A summary of issues considered by the Board during the year is disclosed in the Business Risks and Uncertainties report on pages 19 to 21.

The Group will continue to improve and evolve its risk management framework by developing and embedding the necessary capabilities within the organisation to support informed risk taking by the business. Management, together with the Board, periodically review and revise risk appetites with the aim of promoting and protecting long-term shareholder value.

INTERNAL AUDIT

The Audit Committee believes that management is able at present to derive sufficient assurance as to the adequacy and effectiveness of internal controls and risk management without an Internal Audit function. The Board has accepted this position as proportionate and appropriate at this stage of the Group's development. The Audit Committee will continue to assess this position in line with its responsibilities as noted above.

ETHICAL BEHAVIOUR, PREVENTION OF BRIBERY AND MODERN SLAVERY

The Audit Committee is satisfied that the Group's current procedures are successful in promoting a corporate culture based on ethical values and behaviours. The Group has policies and procedures in place to prevent bribery, corruption and modern slavery, which set out its zero-tolerance approach and provide guidance to employees on how to recognise and deal with any issues.

The Audit Committee is satisfied that these policies are working effectively and keeps this position under review in line with its responsibilities. During the year there were no significant concerns raised for the Audit Committee to review.

WHISTLEBLOWING PROCEDURES

The Audit Committee is satisfied that the Group's current procedures give an effective, adequate and secure process whereby an employee or contractor can raise concerns about possible wrongdoing in financial reporting or other matters. There were no significant whistleblowing issues raised during the year for the Audit Committee to consider.

On behalf of the Board

J. Brooke

Chair of the Audit Committee

REMUNERATION COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

INTRODUCTION

On behalf of the Board and the Remuneration Committee, I am pleased to present this report for the year ended 31 December 2025. As part of the continued development of the Board's governance framework, this is the first separate, formal report to be included in the Annual Report for the Group. As an AIM-quoted company, this report is in compliance with AIM Rule 19. The Group is not required to comply with the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013.

The Committee took into consideration the recommendations as per the Quoted Companies Alliance ("QCA") Code, including the QCA Remuneration Committee Guide, in exercising its duties, alongside regulatory requirements. In line with the revised QCA Code, the Committee will, for the first time, put forward separate advisory resolutions on its remuneration report and remuneration policy to shareholders at the 2026 Company AGM.

ROLE AND COMPOSITION OF THE COMMITTEE

The activities of the Committee are governed by its Terms of Reference, which can be found on the Group's website.

The Committee, on behalf of the Board, determines the Group's policy for executive remuneration and the individual remuneration packages for Executive Directors to ensure they are aligned with the Group's strategic objectives and financial performance. The Committee ensures the remuneration packages are fairly benchmarked and attractive to attract, retain and motivate individuals with the right behaviours to ensure alignment of long-term strategic priorities to increase shareholder value.

The Remuneration Committee now consists of three Independent Non-Executive Directors and meets at least twice per year, with additional meetings as required. The Committee and attendance for the year was:

Audit Committee Members	Attendance
Samantha Wren (Chair)	2/2
Jamie Brooke	2/2
Simon Litherland ¹	1/1
Martin Glenn ²	1/1

1 Simon Litherland was appointed on 27 August 2025

2 Martin Glenn resigned on 24 September 2025

During the year, the main activities of the Remuneration Committee included:

- Determined remuneration for two new Executive Directors namely the CEO and CFO, in line with remuneration policies;
- Approved the Executive and Company bonus award relating to prior year performance (2024);
- Reviewed the overall remuneration strategy for the Company and its employees;
- Approved the grant of LTIP awards for the Executive Directors and senior management in August 2025.

After 2025 year-end, the Committee has:

- Approved the Executive and Company bonus award relating to the 2025 financial year;
- Considered and approved the bonus structure and targets for the 2026 financial year.

H2G Remuneration Advisory (h2g) is appointed as adviser to the Committee. h2g is a member of the UK Remuneration Consultants Group (RCG) and has confirmed that it complies with the RCG Code. h2g has no other relationship with the Company and the Committee is satisfied that the advice it receives is independent and objective.

REMUNERATION POLICY

The Group's remuneration policy is designed to attract, retain and motivate individuals to contribute fully to the delivery of the Group's strategy and achievement of its long-term objectives. Remuneration is benchmarked against peer companies of similar size, industry, operational structure and other market relevant comparators.

In addition, the Board recognises that a fair reward structure and incentive schemes aligned with successful delivery of the Group's objectives are a key part of building a strong and sustainable company culture, promoting the Group's values and broader interests of its stakeholders.

REMUNERATION COMMITTEE REPORT

FRAMEWORK FOR REMUNERATION OF DIRECTORS – KEY ELEMENTS

Element	Rationale	Operation	Maximum Opportunity	Performance Metrics
Salary	Salaries are benchmarked upon recruitment and on an annual basis to attract, retain and motivate high performing executives.	Reviewed annually by the Board with reference to Group and individual performance, and benchmarking to peer group companies. Changes to annual salary takes effect from 1 March each year. During the year a remuneration package for the new CEO and CFO was reviewed and approved.	The Committee takes into consideration increases to remuneration across the broader employee population but has the discretion to decide on a lower or higher increase.	Individual and Group performance is considered when deciding on base salary.
Pensions	To assist in attracting and retaining high performing executives, in line with competitive market pensions.	Pension contributions are paid in line with broader employee population for the Group. Pension can be taken as salary in lieu.	Maximum contribution currently 4% of base salary.	N/A
Benefits	To assist in attracting and retaining high performing executives, in line with competitive market benefits.	Benefits include car allowances and private medical, both paid as cash consideration. In line with the broader employee population, Executive Directors also benefit from life assurance cover.	Maximum benefits take into consideration the broader employee population and market related rates.	N/A
Annual Bonus	Incentivising delivery of performance in the short to medium term, to align interests to shareholders' objectives.	Objectives for Annual Bonus are set by the Committee at the start of the financial year. Payments are made in cash following completion of audited accounts for the prior year and assessment against targets. Awards are subject to malus/ clawback provisions.	For the CEO, maximum bonus is 100% of salary For the CFO, maximum bonus is 80% of salary.	Performance measures may vary at the discretion of the Board year on year, and may include financial, non-financial, personal and strategic objectives. For the 2025 financial year the main Group performance targets were based on Net Sales Revenue (NSR) and Adjusted Trading Operating Profit which are considered to be key internal financial performance indicators.

REMUNERATION COMMITTEE REPORT

FRAMEWORK FOR REMUNERATION OF DIRECTORS – KEY ELEMENTS (CONTINUED)

Element	Rationale	Operation	Maximum Opportunity	Performance Metrics
Long-term incentive plans (“LTIPs”)	Share-based incentives to align with shareholders’ interests and reward delivery of longer-term shareholder value.	Annual Awards granted as nominal or market value options and normally vest after three years subject to performance conditions, at the discretion of the Committee. Awards expire after ten years and may lapse without benefit to scheme participants if performance targets are not met or if an award holder leaves employment before vesting has occurred. However, in “good leaver” circumstances, a portion of the award may still vest, subject to performance assessment and time apportionment. Any awards which vest will lapse six months after the date of cessation of employment. Awards are subject to malus/ clawback provisions. The Committee has the discretion to make awards without performance conditions, with an exercise price set at market value on a relevant date, to attract and retain Executives. These awards are usually granted upon appointment. These awards may vest in portions of one third on the first, second and third anniversaries of grant.	Awards of performance shares to Executive Directors in a financial year may normally have a value up to 50% of base salary. Under the LTIP Plan rules, the normal annual award limit is 150% of salary with a maximum in exceptional circumstances at 200% of salary.	Performance targets for each LTIP Award may vary at the discretion of the Board year on year, however they will be linked to a combination of profitability targets over a minimum three-year period. Currently, LTIP targets are set against Net Sales Revenue (NSR) and Adjusted Trading Operating Profit, which are considered to be key internal financial performance indicators.
Shareholding Guidelines	Increasing alignment between Executive Directors and shareholders.	Executive Directors are required to build and maintain a shareholding equal to 50% of base salary, expected to be built up over 5 years from date of appointment. Until the minimum shareholding guideline is met, Executive Directors will not be allowed to sell any shareholding. The valuation of shareholding is measured as the outright shares held, and the after-tax value of vested share options.	N/A	N/A
NEDs	To attract and retain NEDs with the required skills and experience.	NED remuneration is reviewed annually by the Board and changes in fees are effective from 1 March each year. Fees are externally benchmarked against comparable AIM-listed companies and industry peers.	NEDs only earn fees approved by the Board and are not eligible for bonuses, LTIPs or other benefits.	N/A

REMUNERATION COMMITTEE REPORT

SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

Name	Role	Commencement date	Notice period
James Pennefather	CEO	1 February 2025	9 months
Louan Mouton	CFO	31 March 2025	9 months

The Chair and Non-Executive Directors have letters of appointment with three-month notice periods.

SUMMARY OF DIRECTORS' REMUNERATION (AUDITED)

The table below sets out the total remuneration of the Directors who served during the year:

2025 (£)	Salary/fee	Bonuses	Benefits	Pension	Total
Executive					
James Pennefather ¹	248,615	129,671	11,206	14,962	404,454
Louan Mouton ²	128,152	56,109	5,718	12,641	202,620
Andrew Carter ³	59,707	-	1,008	886	61,601
Robert Smith ⁴	68,242	-	2,032	-	70,274
Non-Executive					
Martin Glenn ⁵	37,500	-	-	-	37,500
Jamie Brooke	28,333	-	-	-	28,333
Simon Litherland ⁶	8,333	-	-	-	8,333
Michael Spencer ⁷	3,333	-	-	-	3,333
Nigel Wray ⁷	3,333	-	-	-	3,333
Samantha Wren	28,333	-	-	-	28,333
	613,881	185,780	19,964	28,489	848,114

1 James Pennefather was appointed on 1 February 2025. His annual salary is £275,000 and annualised benefits including pension are £20,475.

2 Louan Mouton was appointed on 8 April 2025. His annual salary is £180,000 and annualised benefits including pension are £13,025.

3 Andrew Carter resigned on 31 January 2025

4 Robert Smith resigned on 8 April 2025

5 Martin Glenn resigned on 24 September 2025

6 Simon Litherland was appointed on 27 August 2025

7 Michael Spencer and Nigel Wray have waived their respective annual fees of £20,000 from March 2025.

REMUNERATION COMMITTEE REPORT

SALARIES AND FEES

James Pennefather's annual salary was £275,000 for the 2025 financial year. Louan Mouton's annual salary was £180,000 for the 2025 financial year.

BONUS

The Committee considered the performance of the Executive Directors in the financial year against the criteria of the Annual Bonus Scheme. For the 2025 financial year the outcome of Net Sales Revenue and Adjusted Trading Operating Profit was within the range of performance targets set. Accordingly, the CEO and CFO achieved 52% of their maximum bonus potential. The award will be paid in cash as per the policy framework set out above.

No bonus was paid in 2025 to previous Executive Directors that resigned in the year.

LONG-TERM INCENTIVES AND SHARE OPTIONS

During the year, the Remuneration Committee approved awards to the Executive Directors in August 2025 as follows:

- Market value share options with a strike price as at the date of the public announcement of their appointment, which was deemed to be the relevant date.
- Performance-related LTIP grant at nominal cost linked to financial performance conditions over the 2025-2027 financial period.

As at 31 December 2025, the previous executive directors who resigned in the year retained fully vested historic share options which are not subject to lapse conditions from cessation of employment. All such share options were disclosed in the 2024 Annual Report for the Group. Andrew Carter has 286,079 share options outstanding at an exercise price of 30p per share which expire in December 2032. Robert Smith has 392,157 share options outstanding at an exercise price of 25.5p per share which expire in December 2032.

Director	Grant date	Scheme	Performance criteria	Shares	Exercise price	Vesting dates
James Pennefather (CEO)	1 August 2025	2025-2027 Performance LTIP	Net Sales Revenue and Adjusted Trading Operating Profit	190,972	-	1 August 2025
	1 February 2025	2025-2027 Market value options under LTIP	n/a	1,543,719	35.0p ¹	1 February 2026 1 February 2027 1 February 2028 (in thirds)
Louan Mouton (CFO)	1 August 2025	2025-2027 Performance LTIP	Net Sales Revenue and Adjusted Trading Operating Profit	125,000	-	1 August 2028
	31 March 2025	2025-2027 Market value options under LTIP	n/a	455,696	39.5p ²	31 March 2026 31 March 2027 31 March 2028 (in thirds)

¹ The exercise price relating to the 1,543,719 options for James Pennefather was determined as 35p per share, being the share price before the public announcement of his appointment on 13 December 2024. Shares vest in thirds each year on the anniversary of the start date for the Executive Director.

² The exercise price relating to the 455,696 options for Louan Mouton was determined at 39.5p per share, being the share price before the public announcement of his appointment on 4 March 2025. Shares vest in thirds each year on the anniversary of the start date for the Executive Director.

REMUNERATION COMMITTEE REPORT

DIRECTORS' INTERESTS IN SHARES

As at 31 December 2025 the Directors held the following interest in the share capital of the Company either directly or beneficially:

	Ordinary shares held No.	% of issued share capital
Jamie Brooke	493,806	0.3%
Simon Litherland	55,581	0.0%
Michael Spencer ¹	178,571	0.1%
Nigel Wray ²	23,631,970	13.8%
Samantha Wren	135,552	0.1%

1 Michael Spencer is the beneficial owner of IPGL, who hold a further 46,715,250 Ordinary Shares in the name of IPGL.

2 Of the above total, 21,195,571 Ordinary Shares are held by family trusts whose beneficiaries are Nigel Wray's children.

DIRECTORS' REMUNERATION FOR THE COMING YEAR

The salaries for the CEO and CFO will be increased to £283,250 and £185,400 respectively, effective 1 March 2026. This 3.0% increase is in line with the broader employee population for the Group and market-related benchmarking.

The annual fees payable to Non-Executive Directors will increase to £35,000 from 1 March 2026, with a £5,000 supplement for the Chairs of the Audit and Remuneration Committees.

Nigel Wray has waived his NED fees for 2026. Michael Spencer has waived his NED and Chair fees for 2026.

The Annual Bonus Scheme for 2026 will operate in line with the Group's policy and similarly to the 2025 Annual Bonus Scheme. The Committee will update shareholders on the targets achieved in the 2026 Remuneration Report.

Long-term incentive awards may be granted during the year to the Executive Directors and other senior managers in line with the remuneration policy and framework set out above.

ANNUAL GENERAL MEETING

In line with Principle 9 of the QCA Code on remuneration, the Committee will voluntarily put separate advisory resolutions on its remuneration report and remuneration policy to the Company's AGM.

On behalf of the Board

S. Wren

Chair of the Remuneration Committee

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

The Directors present their report and the financial statements for the year ended 31 December 2025.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Group Strategic report, the Directors' report and the consolidated 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 applicable law, with the Group financial statements being prepared in accordance with International Financial Reporting Standards as adopted by the UK, and the Parent Company financial statements being prepared in accordance with United Kingdom Generally Accepted Accounting Practice under Financial Reporting Standard 101 "Reduced Disclosure Framework". 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 for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the Group financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the UK, and the Parent Company financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice under Financial Reporting Standard 101, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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 the Group and to 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.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £230,000 (2024 – £1,309,000 loss). The Directors do not recommend the payment of a dividend.

DIRECTORS

The Directors who served during the year were:

J. D. Brooke
A. J. Carter (resigned 31 January 2025)
M. R. Glenn (resigned 24 September 2025)
P. S. Litherland (appointed 27 August 2025)
L. Mouton (appointed 8 April 2025)
J. R. S. Pennefather (appointed 1 February 2025)
R. A. C. Smith (resigned 8 April 2025)
M. A. Spencer
N. W. Wray
S. A. Wren



DIRECTORS' REPORT

SUBSTANTIAL SHAREHOLDERS

The Group is aware of the following shareholdings which represent 3% or more of the Company's issued Ordinary Shares as at 31 December 2025:

Shareholder	Number of Ordinary Shares	Percentage of Issued Share Capital
IPGL & Michael Spencer*	46,893,821	27.3%
Nigel Wray**	23,631,970	13.8%
Adrian Bridge***	6,335,571	3.7%

* Includes 178,571 Ordinary shares held by Michael Spencer, beneficial owner of IPGL, in his own name.

** Of the above total, 21,195,571 Ordinary Shares are held by family trusts whose beneficiaries are Nigel Wray's children. The balance of Ordinary Shares represents Nigel Wray's beneficial holding.

*** Of the 6,335,571 Ordinary shares held by Adrian Bridge, 5,135,571 Ordinary shares are held by Bridgeport Investments Limited, a company that Adrian Bridge and family are beneficiaries of, with the balance held through Banco Santander Totta.

FINANCIAL INSTRUMENTS

The Group's principal financial instrument relates to bank loans. The purpose of this financial instrument is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors which arise directly from operations. The Group does not enter into derivative transactions.

The main financial risks arising from the Group's activities are credit risk and liquidity risk. These are monitored by the Directors and were not considered to be significant at the balance sheet date. The Group actively manages its financial risk in order to meet its foreseeable needs in the short and medium term.

CREDIT RISK

The Group's principal financial assets are cash and trade debtors. The Directors consider there to be minimal credit risk in respect of the Company's cash balances as they are all held in reputable financial institutions. The Directors manage credit risk in respect of trade debtors by reviewing outstanding balances and performing credit checks on new customers.

GOING CONCERN

Company law requires the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. Having considered the period to December 2027, the Directors confirm that they consider that the going concern basis remains appropriate.

As detailed within note 2.2, the Directors have considered both financial and operational aspects surrounding the Group's trading outlook at length. The Group continues to have access to sufficient cash resources via the £20m revolving credit facility provided by PNC Business Credit, with the option of a further £10m increase available through pre-agreed terms, subject to credit approval. The additional facility could be utilised in the future to underpin subsequent growth in maturing stocks, however the Directors consider there to be sufficient headroom in the current facility and the Group's financial covenants to allow the group to meet its liabilities as they fall due for at least 24 months from the balance sheet date.

The Directors therefore believe that the Group has sufficient resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and;
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

This report was approved by the Board on 28 April 2026 and signed on its behalf.

J.R.S. Pennefather
Director

OUR CUSTOMERS

WE ARE AVAILABLE NATIONALLY
THROUGH A BROAD MIX OF RETAILERS

BOOTH'S
FOOD, WINE AND GROCERY

**FORTNUM
& MASON**
EST 1707

Harrods

Majestic 
wines • beers • spirits

WAITROSE
& PARTNERS

SELFRIDGES & CO

Sainsbury's

M&S
EST. 1884

TESCO

Cocado

amazon

WE HAVE A STRONG PRESENCE
ACROSS HOSPITALITY VENUES IN THE UK

THE LANESBOROUGH
LONDON

THE PIG


H&F

sketch

*Hand***PICKED**
HOTELS

INCEPTION
GROUP

METROPOLITAN
PUB COMPANY

BRASSERIE & BAR
BROWNS
ESTABLISHED 1973

**guest.
house**

ATG
ENTERTAINMENT


GREENE KING
BURY ST EDMUNDS

ACCOLADES & AWARDS

2025 AWARDS

We are consistently one of the most highly awarded wine brands, winning over 30 awards in 2025 across national and international competitions, including 9 gold medals, and The Real Review 'Sparkling Wine of the Year'.

Beautiful baked apple and gentle spice on the nose, elegant palate, harmoniously integrated lemon, floral palate, long finish. A completed sparkling wine.

Judge's Comment – International Wine Challenge 2025



Chapel Down was awarded a Quality Food and Drink Accolade by Visit England in 2025, given to those who demonstrate an outstanding visitor experience.



Chapel Down was featured in the 2025 Sunday Times Best Places to Work list which honours and celebrates the UK's top employers.



CHAPEL DOWN

ENGLISH SPARKLING WINE

ENGLISH SPARKLING WINE

Her Way To Celebrate

CHA
ENGLI

OUR PARTNERSHIPS

Chapel Down's status as the most recognised English wine brand is supported by its partnerships with flagship sporting and cultural events including Ascot and Royal Ascot, The Boat Race and Pub in the Park, and Chapel Down is the 'Official Sparkling Wine' of the England and Wales Cricket Board.



OFFICIAL ENGLISH
SPARKLING WINE

HARVEST REPORT 2025

CHANGING THE WAY THE WORLD THINKS ABOUT ENGLISH WINE

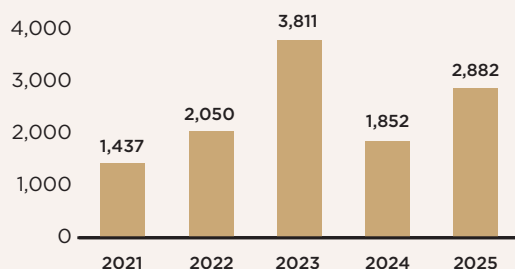
VINTAGE CONDITIONS

With each new vintage comes a renewed sense of promise and anticipation, and from the beginning of 2025 we had cause to be cautiously optimistic. A relatively mild winter led to a very dry Spring through March, April and May. We had a worrying night in Spring with an unexpected very late frost on 23 May. However, in the end this affected less than 0.1% of our vines. Budburst was in line with usual expected dates in April, though flowering started early in 2025, with our first Chardonnay flowers spotted in the first week of June. We did have a small amount of rain in July, though broadly speaking it was hot and dry throughout July and August. Our vines have deep root systems, so the extended period of no rainfall had no adverse impact. The increased amount of sunlight ripened the grapes faster, so we picked them earlier than usual as natural acidity levels decreased and grape sugar levels rose quickly. This means that the wines are likely to exhibit ripe fruit flavours and have a generosity of texture on the palate as they develop. The beginning of September was characterised by lots of rain but by the third week of the month through to mid-October the weather cleared as we harvested. Our thanks extend to everyone involved in our 2025 harvest and we held a special Harvest Lunch to celebrate its successful conclusion.

YIELD

We harvested 2,882 tonnes of grapes from the 2025 vintage, which is 15% above the historic five-year average tonnes per acre, and our second highest yield in absolute terms. This means we will be able to produce more than 2.5 million bottles of wine. Excitingly, the percentage of these grapes that are suitable for Traditional Method sparkling wine is the highest it has ever been.

YIELD 2021-2025 (TONNES)



QUALITY

We expect 2025 to be an exceptional vintage comparable to 2020 and 2022. We expect wines of great generosity and ripeness to come to characterise the vintage.

This ripeness, married with Chapel Down's characteristically crisp, fresh and precise approach to winemaking, gives us cause for excitement about the potential class of 2025.

FUTURE

The recently planted block of Pinot Noir vines at Boxley Abbey produced an initial crop of exceptional quality fruit which bodes well for when it comes into full production. Our 119 acres at Buckwell, planted in 2024, are also establishing well and the settled weather provided perfect conditions for wildlife in this section of the Kent Downs. Our viticulture team reported regular sightings of wild grey partridge, hares and skylarks.

“The human endeavour throughout harvest is a long and well established tradition. Long days and working in all weathers breeds resilience and good humour. Whilst tractors shuttle to and from the vineyards with their precious loads, within the vines stories are shared and friends are made as the teams pass diligently from vine to vine to pick the grapes.”

Richard Lewis, Head of Viticulture



“An exceptional growing season led to an incredible balance of ripeness and flavour in our grapes. The wines we will make from the 2025 vintage will continue to change the way future generations think about English wine.”

Josh Donaghay-Spire, Head Winemaker

SUSTAINABILITY

FOCUS ON REGENERATIVE VITICULTURE

At Chapel Down, regenerative viticulture is rooted in a long-term commitment to enriching the land and environment for future generations whilst crafting wines that express a true sense of place.

Regenerative viticulture is informed by the five principles of regenerative agriculture:

1. **Minimising soil disturbance** is fundamental to our approach. Unlike many agricultural systems, we do not routinely plough or cultivate our vineyard soils. This allows the soil microbiome to thrive and helps increase carbon storage below ground. Over the past decade, significant investment has been made in undervine strimmers, enabling us to reduce both chemical inputs and mechanical cultivation to manage competing vegetation beneath the vines.
2. **Keeping soils covered** is another key principle. As perennial crops, vines provide permanent structure, while a diversity of cover crops – grasses and other species – are grown between the rows. These cover crops improve soil structure, reduce erosion and create valuable habitat for invertebrates. At Chapel Down, ongoing trials continue to identify the most effective cover-crop species for English vineyards, with encouraging progress being made.
3. **Growing diverse crops** helps support ecological balance. Between vine rows and along field margins, we actively promote a diverse mix of plant species to increase biodiversity and strengthen vineyard resilience.
4. **Maintaining living roots in the soil** is naturally supported by vines as perennial plants. In addition, the use of undervine strimmers allows living roots to remain in the soil year-round, contributing to improved soil structure, microbial activity and overall soil health.
5. **Integrating animals** forms an exciting and evolving part of our regenerative journey. In 2025, sheep were introduced into our vineyards for the first time, helping to manage unwanted vegetation under the vines during winter while naturally fertilising the soil. This is an area we are enthusiastic to develop further in the years ahead.

By focusing on practices such as building organic matter, encouraging biodiversity, minimising soil disturbance and working closely with natural cycles, the viticulture team aims to improve soil structure, water retention and vine balance year on year. This approach recognises the vineyard as a living system, where cover crops, beneficial insects and thoughtful input choices all play a role in supporting vine health and reducing reliance on synthetic interventions. Over time, regenerative farming helps strengthen the resilience of Chapel Down's vineyards to a changing climate, while enhancing sustainability and safeguarding the quality and character of English wine for future generations.



Chapel Down is strongly committed to growing its business in balance with the environment. The company is a founding member of Sustainable Wines of Great Britain and practises sustainable viticulture.

LAND MANAGEMENT

- We mulch our prunings back into the vineyard soil returning organic matter to the earth and helping to sequester carbon
- We have established wildflower corridors through our vineyards to provide habitat for insect biodiversity
- We keep our grass longer than we have in the past. This reduces our diesel use, reduces soil compaction and provides increased habitat and forage for pollinators and insects
- We use chicken manure to replenish soil nutrients and build soil organic matter
- We have invested significantly in under-vine weeding machinery and techniques which has significantly reduced our herbicide use, and is in line with the regenerative principle of minimising soil cultivation
- We have invested in weather stations throughout our vineyards to understand weather patterns in greater detail and only apply protective sprays when required

PACKAGING & PRODUCTION

- Glass is made of 76% recycled material and is 100% recyclable
- Sparkling wine carton inserts are made from 100% recycled material and are 100% recyclable
- Wine boxes are made of 70% recycled content and are 100% recyclable
- We are committed to reducing the weight of our packaging. 97% of our still wines use lightweight bottles (<400g) in accordance with best practise in this area. Our traditional method and carbonated wines require strength to withstand the pressure, but we continue to review all options to ensure that our packaging footprint is as light as possible

ENERGY SOURCES

- Our 'waste' grape skins are sent for anaerobic digestion to produce renewable energy. Over the last five years this has created enough electricity to supply 170 homes for a year
- We have moved to using new technologies in our winery to stabilise some of our wines. This reduces the need for refrigeration with its associated electricity and carbon emissions
- All of the electricity we used in 2025 was from zero carbon sources (90% renewable such as wind, solar & hydro and up to 10% nuclear).



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPEL DOWN GROUP PLC

FOR THE YEAR ENDED 31 DECEMBER 2025

Opinion

We have audited the financial statements of Chapel Down Group Plc (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2025, which comprise:

- the Consolidated statement of comprehensive income for the year ended 31 December 2025;
- the Consolidated and Company statements of financial position as at 31 December 2025;
- the Consolidated and Company statements of changes in equity for the year then ended;
- the Consolidated statement of cash flows for the year then ended; and
- the notes to the Consolidated and Company financial statements, including material accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and UK-adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (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 Company's affairs as at 31 December 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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 related 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. Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included the following:

- We obtained and assessed management's detailed trading budget and cash flow forecast for the period to 31 December 2027. In addition to checking the arithmetical accuracy, we also discussed the key assumptions with management and ensured they are reasonable with our understanding of the business and sector. The trading budget and cash flow forecast show the group as having headroom on their financing facilities throughout the forecast period.
- We reviewed management's sensitivity analysis performed in support of the going concern assessment. This included downside scenarios where:
 - (i) revenue is reduced by 10% and
 - (ii) crop yields are lower than forecast.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPEL DOWN GROUP PLC

Conclusions related to going concern (continued)

In both scenarios, management demonstrated that the Group would retain sufficient headroom, supported by available financing facilities and identified cost mitigation measures, to continue to operate as a going concern.

- We have examined correspondence with lenders including speaking to them directly to confirm the continued availability and support of financing facilities for the period to 31 December 2027, being the period reviewed for going concern purposes. No issues noted in regards to covenants or facilities agreement.
- We have scrutinised and challenged the forecasts including the covenant compliance for the period to 31 December 2027.
- We read the Board minutes and discussed with management whether there were any matters not documented in the minutes provided such as issues with financing or covenants, trading or other matters which would impact materially on the forecasts.
- We enquired with management whether there are any significant subsequent events that may impact on going concern.

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 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.

Overview of our audit approach

Materiality

In planning and performing our audit we applied the concept of materiality. An item is considered material if it could reasonably be expected to change the economic decisions of a user of the financial statements. We used the concept of materiality to both focus our testing and to evaluate the impact of misstatements identified.

Based on our professional judgement, we determined overall materiality for the year ended 31 December 2025 Group financial statements as a whole to be £194,000 (2024 £198,000), based on 1% of turnover. Turnover was considered to be an appropriate benchmark as it is a key performance metric for stakeholders and an indicator of the Group's growth. Materiality for the Company financial statements as a whole was set at £174,600 (2024: £190,000) based on based on group revenue also and restricted so as not to exceed group materiality.

We use a different level of materiality ('performance materiality') to determine the extent of our testing for the audit of the financial statements. Performance materiality is set based on the audit materiality as adjusted for the judgements made as to the entity risk and our evaluation of the specific risk of each audit area having regard to the internal control environment. This is set at £135,800 (PY £138,600) for the group and £122,220 (PY £136,500) for the Company.

Where considered appropriate performance materiality may be reduced to a lower level, such as, for related party transactions and directors' remuneration.

We agreed with the Audit Committee to report to it all identified errors in excess of £9,700 (2024: £10,000). Errors below that threshold would also be reported to it if, in our opinion as auditor, disclosure was required on qualitative grounds.

Overview of the scope of our audit

The audit procedures have been carried out solely by Crowe U.K. LLP. The audit scope was established during the planning stage and was based around the key matter set out below. The scope included tests of control to establish the group's systems in use are working effectively and tests of detail selecting transactions via sampling techniques.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPEL DOWN GROUP PLC

Key audit matters (continued)

This is not a complete list of all risks identified by our audit.

Key audit matter	How the scope of our audit addressed the key audit matter
Valuation of biological produce At the point of harvest, the harvest of grapes qualifies as biological produce under IAS 41 and is recorded at fair value at that date. The fair value becomes the basis of cost when accounting for inventories under IAS 2. There is a significant level of judgement involved in determining the fair value of the biological produce as management use a tier 3 valuation. This increases the inherent risk of fraudulent misstatement. Further details can be found in note 2 and 15.	We assessed whether management's valuation methodology continued to comply with IAS 41. Our work included: • reviewing the grower invoices and a sample of contracts to evaluate whether the pricing, indexation mechanisms and quality adjustments were appropriate sources of Level 3 inputs; • challenging management's assumptions, including the uplift applied to remove contractual discounts and the impact of current harvest conditions; • comparing contract pricing trends with prior years and considering consistency with market participant expectations; • testing the accuracy of underlying data and performing independent recalculations of the valuation model; and • evaluating management's stand back review of market conditions.

Our audit procedures in relation to these matters were designed in the context of our audit opinion as a whole. They were not designed to enable us to express an opinion on these matters individually and we express no such opinion.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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.

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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPEL DOWN GROUP PLC

Matters on which we are required to report by exception (continued)

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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company's 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 the directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 40, 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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We have identified such laws to be Companies Act 2006, together with the International accounting standards (UK adopted IFRS). We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management about the Group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the board meeting minutes;
- enquiry of management and review and inspection of relevant correspondence;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- detailed testing of a sample of sales made around the balance sheet date and agreeing these through to invoices, goods despatch notes and bank receipts;
- scrutiny of the fair value methodology of biological produce to assess its compliance with applicable financial reporting standards;
- review of available market data points to assess the reasonableness of the fair value biological produce;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements; and
- review of accounting estimates for biases.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CHAPEL DOWN GROUP PLC

Auditor's responsibilities for the audit of the financial statements (continued)

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

Use of our report

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

Darren Rigden (Senior Statutory Auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Medway Bridge House
1-8 Fairmeadow
Maidstone
Kent ME14 1JP

28 April 2026



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
Gross sales revenue		22,445	18,923
Duty		(3,002)	(2,572)
Net sales revenue	4	19,443	16,351
Cost of sales		(10,281)	(8,433)
Gross profit		9,162	7,918
Administrative expenses		(8,257)	(7,036)
Operating profit before exceptional items and fair value adjustment on measurement of biological produce		905	882
Fair value adjustment on measurement of biological produce	15	597	(567)
Operating profit before exceptional items		1,502	315
Exceptional items	5	(221)	(1,217)
Operating profit/(loss)	6	1,281	(902)
Finance income		3	12
Finance costs	10	(815)	(510)
Profit/(loss) before tax		469	(1,400)
Tax (charge)/credit	11	(239)	91
Profit/(loss) and total comprehensive income/(loss) for the year		230	(1,309)
Total comprehensive income/(loss) attributable to the equity holders of the Company		230	(1,309)
Basic profit/(loss) – pence per share	12	0.13	(0.76)
Diluted profit/(loss) – pence per share	12	0.13	(0.76)

The notes on pages 60 to 85 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
Non-current assets			
Intangible assets	13	5	18
Property, plant and equipment	14	27,213	26,804
Total non-current assets		27,218	26,822
Current assets			
Biological produce	15	-	-
Inventories	16	30,579	26,558
Trade and other receivables	17	5,318	4,004
Cash and cash equivalents	18	262	982
Total current assets		36,159	31,544
Total assets		63,377	58,366
Equity and liabilities			
Equity			
Called up share capital	19	8,576	8,576
Share premium	21	31,654	31,654
Revaluation reserve	21	870	904
Retained earnings	21	(8,046)	(8,482)
Total equity		33,054	32,652
Non-current liabilities			
Borrowings	22	12,544	-
Lease liabilities	24	9,590	9,226
Deferred tax liabilities	25	1,340	1,092
Total non-current liabilities		23,474	10,318
Current liabilities			
Borrowings	22	-	9,976
Trade and other payables	23	6,353	5,044
Lease liabilities	24	496	376
Total current liabilities		6,849	15,396
Total liabilities		30,323	25,714
Total equity and liabilities		63,377	58,366

The notes on pages 60 to 85 form an integral part of these Consolidated Financial Statements.

The financial statements were approved and authorised for issue by the Board on 28 April 2026 and were signed on its behalf by:

J.R.S. Pennefather

L. Mouton

Company number: 04362181

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Called up Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2025	8,576	31,654	904	(8,482)	32,652
Profit for the year	-	-	-	230	230
Total comprehensive income for the year	-	-	-	230	230
Share-based payments expense	-	-	-	181	181
Transfer of excess depreciation charge to revaluation reserve	-	-	(34)	34	-
Deferred tax on share options	-	-	-	(9)	(9)
At 31 December 2025	8,576	31,654	870	(8,046)	33,054

The notes on pages 60 to 85 form an integral part of these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2024	8,567	31,541	938	(6,719)	34,327
Loss for the year	-	-	-	(1,309)	(1,309)
Total comprehensive loss for the year	-	-	-	(1,309)	(1,309)
Share-based payments credit	-	-	-	(198)	(198)
Shares issued in the year	9	113	-	-	122
Transfer of excess depreciation charge to revaluation reserve	-	-	(34)	34	-
Deferred tax on share options	-	-	-	(290)	(290)
At 31 December 2024	8,576	31,654	904	(8,482)	32,652

The notes on pages 60 to 85 form an integral part of these Consolidated Financial Statements.



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
Cash flows from operating activities			
Profit/(loss) before tax		469	(1,400)
Adjustments to reconcile profit/(loss) before tax to net cash flows:			
Amortisation of intangible assets		13	24
Depreciation of property, plant and equipment		376	353
Loss on disposal of property, plant and equipment		9	77
Finance income		(3)	(12)
Finance costs		815	510
Fair value adjustment on measurement of biological produce		(597)	567
Bonus issue of shares		-	122
Share-based payments expense/(credit)		181	(198)
Increase in trade and other receivables		(1,314)	(411)
Increase in inventories		(1,253)	(2,700)
Increase/(decrease) in trade and other payables		1,309	(726)
Net cash flows generated from/(used in) operating activities		5	(3,794)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,411)	(2,474)
Interest received		3	12
Net cash flows used in investing activities		(1,408)	(2,462)
Cash flows from financing activities			
Proceeds from borrowings	27	18,082	9,528
Repayment of borrowings	27	(16,311)	(2,229)
Lease payments		(1,088)	(1,004)
Interest paid		-	(61)
Net cash flows generated from financing activities		683	6,234
Net decrease in cash		(720)	(22)
Cash and cash equivalents at beginning of the year		982	1,004
Cash and cash equivalents at end of the year		262	982

The notes on pages 60 to 85 form an integral part of these Consolidated Financial Statements.

There were non-cash transactions of £1,528,000 (2024: £1,305,000) during the year in relation to trade receivables offset against trade payables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

Chapel Down Group Plc ("the Company") is a public company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. The registered office address and principal place of business is located at Chapel Down Winery, Small Hythe Road, Tenterden, Kent, TN30 7NG. The Company was incorporated on 28 January 2002.

The Group comprises the Company and its subsidiary, English Wines plc. The Group's principal activity is the production and sale of alcoholic beverages.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared on the going concern basis in accordance with International Financial Reporting Standards as adopted by the UK and the requirements of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except for certain items which are at fair value, details of which are disclosed in either the relevant accounting policy or in the notes to the financial statements.

In the current year the Group has changed the level of rounding applied in the preparation of its financial statements. Amounts are now presented in thousands of pounds ("£'000"), whereas in prior years they were presented in pounds. The Directors consider that this presentation improves clarity and readability, without resulting in the loss of material information. This change affects only the level of rounding applied to disclosed amounts and has no impact on the Group's reported financial position, performance or cash flows.

2.2 Going concern

Under the Companies Act 2006, directors have responsibility for assessing and confirming whether the company can continue to operate as a going concern when preparing financial statements. Having considered the period up to December 2027, the Directors confirm they believe the company can continue to operate as a going concern.

In arriving at this conclusion, the Directors have considered both financial and operational aspects surrounding the Group's trading outlook, including:

- **Trading performance.** The Group performed strongly in FY 2025 with Net Sales Revenue +19% and a return to profitability on Profit Before Tax. Capital allocation continues to prioritise maturing stocks, finalisation of the development of Boxley Abbey and Buckwell vineyards (fully productive in 2026 and 2027 respectively); and investing in existing winery and tourism assets. Underlying trading remains robust, with a large proportion of spend being discretionary, providing management the ability to carefully manage its liquidity and profitability in the short term.
- **Access to liquidity.** The Group continues to have access to sufficient cash resources via the £20m revolving credit facility provided by PNC Business Credit, with the option of a further £10m increase available through pre-agreed terms, subject to credit approval. The additional facility could be utilised in the future to underpin subsequent growth in maturing stocks, however the Directors consider there to be sufficient headroom in the current facility and the Group's financial covenants to allow the group to meet its liabilities as they fall due for at least 24 months from the balance sheet date.
- **Market positioning and growth opportunity.** Chapel Down is England's leading and largest winemaker, with continued growth in Awareness (49%), Affinity (30%) and Penetration (20%), higher than any other English wine brand. The Group continues to scale its distribution both in the UK and internationally across a diversified channel mix, that includes trade and direct-to-consumer. This provides resilience to the Group to protect against risk to specific channels. The English wine region and consumer market continues to grow strongly with English Sparkling Wine in the UK growing at +12% compared to 2024, and there still remains significant headroom for growth to achieve the penetration levels enjoyed by leading Champagne brands. With the Group's position as the market leader, the Directors believe the outlook remains positive and sufficient to facilitate the realisation of the Group's continued growth plans.
- **Operational factors and risk management.** As with all wine producers, the Group's future performance is invariably dependent on supply chain resilience, including the quality and size of harvest yields; its access to resources relating to production activities; and cost inflation of these inputs. The Directors believe the Group has appropriate processes and procedures in place to mitigate against risks to the supply chain and ensure continuity underpin its growth opportunity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.2 *Going concern (continued)*

Based on the analysis performed, the Directors believe that the Group has sufficient resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 *Basis of consolidation*

The consolidated financial statements incorporate the financial information of the Company and entity controlled by the Company (its subsidiary), together, the Group. Control is achieved when a company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies used into line with those used by other members of the Group. All significant intercompany transactions and balances between Group entities are eliminated on consolidation.

Subsidiary companies

The Company's subsidiary is as follows:

Name of company	Country of incorporation	Nature of business	Interest	Proportion shares held
English Wines Plc	England and Wales	Production and sale of alcoholic beverages	100%	100%

The registered office address and principal place of business of English Wines Plc is Chapel Down Winery, Small Hythe Road, Tenterden, Kent TN30 7NG.

The Company also has an associate, Aker Wines and Spirits Limited, which is accounted for under the equity method. As the investment in Aker Wines and Spirits Limited was fully impaired in 2022 no further gains or losses have been recognised in these financial statements.

2.4 *Revenue*

Revenue is recognised when (or as) a performance obligation is satisfied at the amount of the transaction price that is allocated to that performance obligation. At contract inception, the Group assesses the goods or services promised in the contract with the customer and identifies as a performance obligation each promise to transfer to the customer either a good or service that is distinct, or a series of distinct goods and services that are substantially the same and that have the same pattern of transfer to the customer.

Revenue is taken to be gross sales proceeds, net of duty and variable consideration arising through discounts to customers ("retros").

The Group's primary revenue stream is wine sales. The Group may also receive revenue from the sales of other alcoholic beverages, guided tours and experiences, and grape sales.

Wine sales and sales of other alcoholic beverages

The performance obligation for wine sales and sales of other alcoholic beverages is the delivery of the goods to the customer. Revenue is therefore recognised at the point in time when control of the goods transfers to the customer, which ordinarily would be at the point at which the customer receives the goods, however for practicality purposes the revenue is recognised at the point of despatch. This approach has an immaterial impact on revenue recognition in the Group's accounts.

For sales that are made in the Group's retail shop, revenue is recognised at the point of sale, when the customer pays for the goods at the shop till point.

Sales are often made with volume discounts and other rebates to trade customers for promotional support. For volume discounts and other rebates not invoiced at the reporting date, these are estimated based on agreements with customers and estimated depletions during the period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.4 Revenue (continued)

Guided tours and experiences

The performance obligation for guided tours and experiences is the provision of the tour or experience to the customer on a specified date. Revenue is therefore recognised on the date that the tour or experience is provided to the customer.

Grape sales

The performance obligation for grape sales is the delivery of the goods to the customer. Revenue is therefore recognised at the point in time when control of the goods transfers to the customer, which ordinarily would be at the point at which the customer receives the goods, however for practicality purposes the revenue is recognised at the point of despatch. This approach has an immaterial impact on revenue recognition in the Group's accounts.

2.5 Foreign currency translation

Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling, which is Chapel Down Group Plc's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income under the heading to which they relate.

2.6 Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the Statement of Comprehensive Income.

Current tax

Current tax is the amount of tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences that exist only where it is probable that taxable profits will be generated against which the carrying value of the deferred tax asset can be recovered.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.6 Taxation (continued)

Deferred tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint operations where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is recognised on the lower of the intrinsic value and the cumulative share option expense of share options through the tax expense in the statement of comprehensive income. Deferred tax on the intrinsic value of share options in excess of the cumulative share option charge in respect of those options is recognised directly in equity.

2.7 Share-based payments

The Group measures the fair value of equity-settled transactions with employees and Directors at the grant date of the equity instruments. The fair value is calculated using an appropriate valuation model and requires assumptions regarding dividend yields, risk-free interest rates, share price volatility and expected life of an employee or Director share option. The arising expense is charged to the Statement of Comprehensive Income on a straight-line basis over the expected vesting period.

2.8 Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price and any costs attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Expenditures for routine maintenance and repairs are expensed as incurred, while additions and improvements are capitalised.

At each reporting date the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

A right-of-use asset is recognised at the commencement date of the lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs expected to be incurred for restoring the site or asset.

Depreciation is charged so as to allocate the costs of assets less their residual value over their estimated useful lives, using the methods below:

- Freehold land and buildings – Straight line over up to 50 years on the buildings and 20 years on Kit's Coty Vineyard
- Short-term leasehold property – 10 years straight line
- Plant and machinery – Between 5% – 20% straight line
- Motor vehicles – 25% reducing balance
- Fixtures and fittings – 15% reducing balance
- Office equipment – 5 years straight line
- Computer equipment – 3 years straight line
- Bearer plants – approach explained below

Land included within Freehold land and buildings is not depreciated.

Assets under construction are not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.8 *Property, plant and equipment (continued)*

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected to arise from the use of that asset. Any gain or loss arising on de-recognition of the asset is included in the income statement when the asset is derecognised.

The Group owns bearer plants in the form of grape vines which are cultivated on land owned and/or leased by the Group. The costs of bringing the vines to maturity for the first 3 years of the vines' life are capitalised. These costs include attributable overheads.

The bearer plants have an expected useful life of 21 years and are depreciated over 21 years once all the attributable costs from year 1 to 3 have been capitalised with the depreciation of the asset beginning in year 3 after the vines are planted in year 1. The method used to depreciate these assets takes into account that the 3rd and 4th year bringing a bearer plant to maturity will yield a restricted harvest before the asset will be matured in year 5. In year 3 the asset is depreciated by a third of the annual depreciation rate. In year 4 the asset is depreciated by two thirds and from year 5 the asset is depreciated for the remaining 19 years.

2.9 *Leasing*

The Group applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At commencement of a lease, the Group as lessee recognises a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The amount of the lease liability recognised is on a discounted basis. The discount rates used are incremental borrowing rates as appropriate for each lease based on factors such as the lease term and payment terms. Where the rate implicit in the lease cannot readily be determined the Group used the lessee's incremental borrowing rate. The Group does not have any leases where the Group is a lessor.

At commencement of the lease, the Group estimates any variable lease payments that are based on published indices. At the date revised lease payments are determined, the Group remeasures the lease liability at that date, with the corresponding entry being made to the cost of the right-of-use asset related to the lease.

The Group takes advantage of the practical expedient which allows an exemption from capitalisation for leases with terms of 12 months or less and low value leases.

Right-of-use assets are reviewed regularly to ensure that the useful economic life of the asset is still appropriate based on the usage of the asset. Where the asset has reduced in value, the Group considers the situation on an asset-by-asset basis and treats the reduction as an impairment under IAS 36 'Impairment of Assets'.

2.10 *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.11 *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are classified into one of the categories discussed below in accordance with IFRS 9, with reference to the business model for that instrument and the contractual cash flow characteristics.

Financial assets and liabilities are offset and the net amount reported in the financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.11 Financial instruments (continued)

The accounting policy for each category is as follows:

Financial assets

Financial assets comprise cash and cash equivalents and receivables.

Receivables primarily consist of trade and other receivables. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially recognised at transaction price plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, adjusted for change in expected credit losses.

Impairment of financial assets

The IFRS 9 impairment model requires the recognition of 'expected credit losses'. Therefore, it is not necessary for a credit event to have occurred before credit losses are recognised. The impairment model applies to the Group's financial assets.

For trade receivables the Group has applied the simplified approach prescribed by IFRS 9 in calculating expected credit losses. This approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Financial liabilities include trade and other payables, borrowings and lease liabilities.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Lease liabilities

Lease liabilities are recognised at the present value of future lease payments and subsequently carried at amortised cost using the effective interest method.

Borrowings

Borrowings are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange is treated as the de-recognition of the original liability and the recognition of a new liability. When the modification is not substantial the difference between the carrying amount of the liability before the modification and the present value of the cash flows after modification is recognised in profit or loss.

Classification of financial instruments issued by the Group

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and
- where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.12 Inventories

Inventories are valued at the lower of cost or deemed cost and net realisable value. Cost is calculated on an average cost basis. Inventory costs include direct costs of the winery plus attributable overheads that relate to bringing inventories to their present location and condition. The deemed cost for the Group's agricultural produce (grapes) is fair value at the time of harvest less costs to sell, in accordance with IAS 41 'Agriculture'.

Inventories are assessed for impairment at the end of each reporting period. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Intangible assets

Intangible assets are held at cost less accumulated amortisation and accumulated impairment losses. Both intangible assets are considered to have a finite useful life. The expected useful life of the customer relationship is estimated to be three years from acquisition. The expected useful life of the website is estimated to be five years from development.

The assets are assessed for indicators of impairment at each period end as per the requirements of IAS 36.

2.14 Biological assets

Grapes growing on the vine are accounted for as biological assets until the point of harvest. Biological assets are measured on initial recognition and at the end of each reporting period at fair value less costs to sell. Changes in fair value of growing grapes are recognised in profit or loss. At the time of harvest, grapes are measured at fair value less costs to sell, which becomes the deemed cost, and transferred to inventories.

Methods used to measure fair value less costs to sell are provided in Note 3.3. Key assumptions used to determine the fair value of biological assets and sensitivity analysis are provided in Note 15.

2.15 Exceptional items

The Group determines exceptional items as material, infrequent costs which are incurred outside the normal course of business, and by virtue of their nature, significant size and infrequent occurrence, merit separate disclosure in the accounts in order to facilitate a clearer, more consistent view of the underlying performance of the Group.

The Group does not consider the annual fair value adjustment on measurement of biological produce to be an exceptional item on the basis that it is a routine adjustment that is required to be recognised at each reporting period under IAS 41 Agriculture.

The Group presents exceptional items as a separate line item in the consolidated statement of comprehensive income.

2.16 Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. It does not disclose transactions with members of the same Group that are wholly owned. Transactions of a similar nature are aggregated unless, in the opinion of the Directors separate disclosure is necessary to understand the effect of the transactions on the financial statements.

2.17 New and amended standards adopted by the Group

The Group has applied the following amendment for the first time for the annual reporting period commencing 1 January 2025:

- *Lack of exchangeability - Amendments to IAS 21*

The amendment listed above did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.18 New standards and interpretations not yet adopted

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

- *Classification and measurement of financial instruments – Amendments to IFRS 7 and IFRS 9*
- *Contracts Referencing Nature Dependent Electricity – Amendments to IFRS 7 and IFRS 9*
- *Annual Improvements to IFRS Accounting Standards Volume 11 – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7*
- *Presentation and Disclosure in Financial Statements – IFRS 18*

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

2.19 Segment information

The chief operation decision-maker ("CODM") is considered to be the Board of Directors. The CODM allocates resources and assesses the performance of the business and other activities at the operating segment level.

The CODM has determined that the Group has one operating segment, the production and sale of alcoholic beverages.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group makes judgements, estimates and assumptions that affect the application of policies and the carrying values of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the related actual results but are based on the experience of the Directors and expectation of future events. The estimates are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The principal areas where judgement is exercised are as follows:

3.1 Valuation of inventory

There is judgement involved in determining the fair value of the Group's biological produce, which is absorbed into inventory at the point of harvest and therefore impacts the inventory valuation. The fair value of biological produce is also a principal area of estimation uncertainty, and further detail has been included in note 3.3 below.

3.2 Property, plant and equipment

The Directors annually assess whether there are any indicators of impairment to property, plant and equipment. If impairment indicators are identified, the Directors will perform a detailed review of both the carrying value and the expected useful life of these assets.

The principal area that includes estimation uncertainty is as follows:

3.3 Fair value of biological produce

The Group's biological produce is measured at fair value less costs to sell at the point of harvest. The fair value of grapes is determined by reference to estimated market prices at the time of harvest. Generally, there is no readily obtainable market price for the Group's grapes because they are not sold on the open market, therefore management set the values based on their experience and knowledge of the sector including past purchase transactions. The key assumptions used to determine the fair value of biological assets, and a sensitivity analysis are provided in Note 15.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

4. Segmental analysis

The Directors consider the Group to have only one operating segment. Details of the sole operating segment are shown in the consolidated statement of comprehensive income, consolidated statement of financial position and consolidated statement of cash flows.

The whole of the revenue is attributable to the principal activity of the Group, the production and sale of alcoholic beverages.

	2025 £'000	2024 £'000
Analysis of revenue by geography		
United Kingdom	18,901	16,177
Rest of Europe	136	32
Rest of the world	406	142
	19,443	16,351

In the year, two customers (2024: one customer) contributed over 10% of revenue. The revenue share of the largest customer was 14.0% (2024: 13.0%).

5. Exceptional items

Exceptional items as determined by the Directors (see note 2.15) were as follows:

	2025 £'000	2024 £'000
Group strategic review – direct and indirect costs	201	791
One-off recruitment costs arising from the strategic review	20	100
Group-wide IT transformation programme costs	-	246
One-off costs of switching Group export agreements	-	80
	221	1,217

6. Operating profit/(loss)

The operating profit/(loss) for the year is stated after charging the following:

	2025 £'000	2024 £'000
Depreciation (note 14.2)	376	353
Amortisation of intangible assets	13	24
Equity-settled share-based payments expense/(credit)	181	(198)
Short-term lease expense	3	2

7. Auditor's remuneration

	2025 £'000	2024 £'000
Audit of the Company and consolidated financial statements	74	70

No non-audit services were provided by the Group's auditor in the current or prior year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

8. Employees

	2025 £'000	2024 £'000
Wages and salaries	4,760	4,098
Social security costs	634	556
Pension costs	300	102
	5,694	4,756

The average number of staff employed by the Group, including Directors, is detailed below:

	2025 No.	2024 No.
Administration	32	30
Production	43	38
Retail	20	22
Directors	2	2
	97	92

9. Director's remuneration

The Directors' aggregate remuneration in respect of qualifying services was:

	2025 £'000	2024 £'000
Directors' emoluments	820	864
Pension costs	28	8
	848	872

Key management personnel include only the Directors and as such no further disclosures in respect of key management compensation are given.

Additional analysis can be found in the Remuneration Committee report on pages 34 to 39.

10. Finance costs

	2025 £'000	2024 £'000
Lease liability interest	18	13
Loan interest payable	768	497
Amortisation of commitment fees	29	-
	815	510

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

11. Tax (charge)/credit

	2025 £'000	2024 £'000
Current tax	-	-
Deferred tax		
Origination and reversal of timing differences	220	(108)
Adjustment in respect of prior periods	19	17
Total deferred tax	239	(91)
Tax charge/(credit)	239	(91)

The tax charge/(credit) for the year can be reconciled to the profit/(loss) per the Statement of Comprehensive Income as follows:

	2025 £'000	2024 £'000
Profit/(loss) before tax	469	(1,400)
Profit/(loss) before tax multiplied by standard rate of UK corporation tax of 25%	117	(350)
Effects of:		
Ineligible depreciation and amortisation	76	79
Expenses not deductible for tax purposes	27	163
Adjustment to tax charge in respect of prior years	19	17
Total tax charge/(credit) for the year	239	(91)

In addition to the tax charge/(credit) to profit or loss, a deferred tax debit of £9,000 (2024: £290,000) was made directly to equity in respect of share-based payments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

12. Earnings per Ordinary share

	2025	2024
Profit/(loss) for the year attributable to the Ordinary equity holders of the Company (£'000)	230	(1,309)
Basic profit/(loss) per Ordinary share		
Weighted average number of Ordinary shares in issue	171,524,316	171,447,011
Basic profit/(loss) per Ordinary share (pence)	0.13	(0.76)
Diluted profit per Ordinary share		
Weighted average number of Ordinary shares in issue	173,337,641	173,181,416
Diluted profit/(loss) per Ordinary share (pence)	0.13	(0.76)
Weighted average number of shares used as the denominator		
	2025	2024
The weighted average number of shares used as the Denominator in basic earnings per share	171,524,316	171,447,011
Adjustments of calculation of diluted earnings per share:		
Dilutive share options	1,813,325	1,734,405
	173,337,641	173,181,416

13. Intangible assets

	Website £'000	Customer relationship £'000	Total £'000
Cost			
At 1 January 2024, 1 January 2025 and 31 December 2025	82	63	145
Amortisation			
At 1 January 2024	47	56	103
Charge for period	17	7	24
At 31 December 2024	64	63	127
Charge for the period	13	-	13
At 31 December 2025	77	63	140
Net book value			
At 31 December 2025	5	-	5
At 31 December 2024	18	-	18

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14.1 Property, plant and equipment

	Freehold land and buildings £'000	Short-term leasehold property £'000	Right-of- use assets £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Bearer plants £'000	Total £'000
Cost								
At 1 January 2024	5,147	220	9,630	6,380	77	789	11,198	33,441
Additions in year	48	215	2,150	550	61	55	1,624	4,703
Disposals in year	(73)	-	(79)	-	-	-	(20)	(172)
Remeasurement	-	-	27	-	-	-	-	27
At 31 December 2024	5,122	435	11,728	6,930	138	844	12,802	37,999
Additions in year	122	205	814	568	30	59	477	2,275
Disposals in year	-	(5)	(1,084)	(7)	-	-	-	(1,096)
Remeasurement	-	-	143	-	-	-	-	143
At 31 December 2025	5,244	635	11,601	7,491	168	903	13,279	39,321
	Freehold land and buildings £'000	Short-term leasehold property £'000	Right-of- use assets £'000	Plant and machinery £'000	Motor vehicles £'000	Fixtures, fittings and equipment £'000	Bearer plants £'000	Total £'000
Depreciation								
At 1 January 2024	1,408	159	2,969	2,306	34	664	2,001	9,541
Depreciation charge in year	146	27	755	294	20	40	459	1,741
Eliminated on disposal	(16)	-	(71)	-	-	-	-	(87)
At 31 December 2024	1,538	186	3,653	2,600	54	704	2,460	11,195
Depreciation charge in year	142	48	920	317	27	43	503	2,000
Eliminated on disposal	-	-	(1,084)	(3)	-	-	-	(1,087)
At 31 December 2025	1,680	234	3,489	2,914	81	747	2,963	12,108
Net book value								
At 31 December 2025	3,564	401	8,112	4,577	87	156	10,316	27,213
At 31 December 2024	3,584	249	8,075	4,330	84	140	10,342	26,804

Right-of-use assets included in the above comprise land and buildings and motor vehicles, and have been split out within note 14.3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

14.2 Allocation of depreciation expense

The Group absorbs a large portion of depreciation to inventory where the lease pertains to property, plant and equipment which is used in the wine production process. A small portion is also absorbed to bearer plants where the assets are used to cultivate a vineyard that is still in its initial 3-year planting phase (further detail is contained within the accounting policy in note 2.8).

The table below summarises the allocation of the depreciation expense within the accounts:

	2025 £'000	2024 £'000
Allocation of depreciation expense		
Absorbed into inventory	1,595	1,359
Capitalised to bearer plants	29	29
Expensed to statement of comprehensive income	376	353
	2,000	1,741

14.3 Right of use assets

	Land and buildings £'000	Motor vehicles £'000	Total £'000
Cost			
At 1 January 2024	9,406	224	9,630
Additions in year	2,032	118	2,150
Disposals in year	-	(79)	(79)
Remeasurement	27	-	27
At 31 December 2024	11,465	263	11,728
Additions in year	750	64	814
Disposals in year	(1,066)	(18)	(1,084)
Remeasurement	143	-	143
At 31 December 2025	11,292	309	11,601
Depreciation			
At 1 January 2024	2,884	85	2,969
Depreciation charge in year	681	74	755
Eliminated on disposal	-	(71)	(71)
At 31 December 2024	3,565	88	3,653
Depreciation charge in year	827	93	920
Eliminated on disposal	(1,066)	(18)	(1,084)
At 31 December 2025	3,326	163	3,489
Net book value			
At 31 December 2025	7,966	146	8,112
At 31 December 2024	7,900	175	8,075

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15. Biological produce

Included within the cost of inventory is the fair value of the grapes (biological produce) at the time the grapes are harvested. At the point of harvest, the harvest of grapes qualifies as biological produce under IAS 41 and are recorded at fair value at that date. The fair value becomes the basis of cost when accounting for inventories under IAS 2.

Harvesting of grape crop is ordinarily performed between late September and mid-October. Costs incurred in growing grapes, including any applicable harvest costs, are initially allocated into the cost of inventory as part of the total costs to acquire and grow the biological produce. At the point of harvest, a fair value adjustment is made so that the cost per tonne is adjusted to fair value in accordance with IAS 41 and IFRS 13. Any difference between cost and fair value is included within the Statement of Comprehensive Income. The fair value of biological produce was:

	2025 £'000	2024 £'000
At 1 January	-	-
Crop growing costs	4,090	3,414
Fair value adjustment on measurement of biological produce	597	(567)
Fair value of grapes harvested and moved to work in progress	(4,687)	(2,847)
At 31 December	-	-

The fair value of grapes harvested is determined by the senior management team using their knowledge and experience of the industry and with reference to the long-term market pricing data available to them.

There is currently an extremely limited active market in the UK for grapes that would give rise to level 1 and 2 observable inputs under the fair value hierarchy set out within IFRS 13, since the UK wine industry is still in its infancy. As a result, the Group relies on unobservable inputs to determine the fair value of grapes in each reporting period, which are deemed level 3 inputs under the fair value hierarchy.

At each harvest, the senior management team consider the impact of the current market volatility on long-term pricing data and any other relevant information available to them. The estimated market price per tonne for grapes used in respect of the harvests is:

	2025 £	2024 £
Fair value per tonne	2,279	2,291

Sensitivity analysis on the fair value per tonne used to determine the fair value of grapes at the point of harvest is set out below. Based on management's assessment of the volatility of the market, a sensitivity rate of 10% has been used, as in the prior year.

	2025 £'000	2024 £'000
Increase to fair value of grapes if 10% increase in fair value per tonne	469	285
Decrease to fair value of grapes if 10% decrease in fair value per tonne	(469)	(285)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

16. Inventories

	2025 £	2024 £
Biological produce (note 15)	-	-
Work in progress	26,680	22,171
Finished goods	3,899	4,387
	30,579	26,558

The following amounts were taken to cost of sales:

	2025 £'000	2024 £'000
Taken to cost of sales	8,984	7,320

17. Trade and other receivables

	2025 £'000	2024 £'000
Trade receivables	4,847	3,571
Other receivables	471	433
	5,318	4,004

Trade receivables do not contain a significant financing component. These financial assets have been reviewed at each year end and the following provision for expected credit losses is considered necessary:

	2025 £'000	2024 £'000
Gross carrying amount – trade receivables	5,061	3,728
Loss allowance	(214)	(157)
	4,847	3,571

The loss allowance for trade receivables as at 31 December reconcile to the opening loss allowance as follows:

	2025 £'000	2024 £'000
Opening loss allowance at 1 January	157	156
Increase in loss allowance recognised in operating profit/(loss)	57	1
Closing loss allowance at 31 December	214	157

Further detail surrounding the expected credit loss provision is included in note 26.

Other receivables include amounts due for sales taxes, prepayments and security deposits held for leases.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

18. Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and on hand	262	982

19. Issued share capital

	2025 £'000	2024 £'000
Allotted, called up and fully paid share capital		
171,524,316 (2024: 171,524,316) Ordinary shares of £0.05 each	8,576	8,576

Ordinary shares have full voting rights with one vote per share; they are entitled to dividends when proposed and are entitled to a capital distribution on a company exit event.

	No. of shares	Share Capital £	Share premium £	Total £
Movements in £0.05 ordinary shares				
Balance at 1 January 2024	171,338,785	8,567	31,541	40,108
Issue of shares	185,531	9	113	122
Balance at 31 December 2024	171,524,316	8,576	31,654	40,230
Balance at 31 December 2025	171,524,316	8,576	31,654	40,230

There were no movements in issued share capital during the year.

In the prior year, the Company issued 185,531 new Ordinary shares of £0.05 each on 5 June 2024 to the Company's Executive Directors, Andrew Carter and Robert Smith, to fulfil a one-off share award at the Remuneration Committee's discretion in recognition of strong performance over a sustained period. The market price on the date of issue was £0.66 per share.

The Company's entire share capital is traded on the AIM market, a market operated by the London Stock Exchange plc (ticker CDGP).

At the year-end there were 5,037,709 (2024: 4,442,768) Ordinary share options outstanding, see note 20 for valuations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

20. Equity-issued share-based payments

Share options were awarded to certain employees of the Group. The vesting conditions of each of the options requires the same length of service as the vesting period. The performance conditions attached to arrangements are set out in the Remuneration Committee Report, which forms part of the Annual Report and should be read in conjunction with this note.

	2025 No.	2024 No.
Outstanding at start of the year	4,442,768	9,213,981
Granted during the year	2,877,205	389,280
Forfeited during the year	(2,282,264)	(5,160,493)
At end of the year	5,037,709	4,442,768
	2025	2024
Weighted average exercise price at end of the year (pence)	30.50	40.93
Weighted average fair value of options granted in the year (pence)	17.60	57.68
Weighted average vesting period (years)	2.53	3.09

No share options were exercised in the current year or the prior year.

The fair value of the share options is estimated using the Black-Scholes option pricing model, which the Directors believe is the most appropriate method for calculating the fair values. The assumptions used in calculating the fair values use the following range of inputs:

Options issued in 2024

Share price at date of grant	64.0p to 67.5p
Exercise price	0.0p to 35.0p
Expected life (years)	2.0 to 2.5
Expected volatility (%)	21.51%
Risk free interest rate (%)	5.25%

Options issued in 2025

Share price at date of grant	35.0p to 44.2p
Exercise price	0.0p to 39.5p
Expected life (years)	1.0 to 3.0
Expected volatility (%)	24.5% to 29.1%
Risk free interest rate (%)	4.08% to 4.21%

21. Reserves

Share premium

The share premium reserve represents the premium paid by shareholders over the nominal value of the shares purchased.

Revaluation reserve

This reserve represents the revaluation gain on freehold land and buildings, net of deferred tax adjustments.

Upon transition to FRS 102 in 2015 the valuation of the freehold land and buildings was treated as deemed cost. The reserve is adjusted for excess depreciation on an annual basis.

Retained earnings

This reserve holds the accumulation of profits and losses including any dividends paid to shareholders and the share-based payment reserve arising from equity-issued share options.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

22. Borrowings

	2025 £'000	2024 £'000
Bank loans	12,680	10,141
Capitalised commitment fees	(136)	(165)
	12,544	9,976
	2025 £'000	2024 £'000
Amounts falling due within one year		
Bank loans	-	10,141
Amounts falling due 1-2 years		
Bank loans	-	-
Amounts falling due 2-5 years		
Bank loans	12,680	-
	12,680	10,141

During 2024, the Group signed a 6-year extension to its revolving credit facility ("RCF") with PNC Business Credit ("PNC"), increasing the facility size to £20 million at reduced interest rates, with the option to extend this further to £30 million, in two tranches, as the business continues to grow. Extension is subject to credit approval on pre-approved terms based on existing agreements.

The RCF is secured by a fixed and floating charge over the assets of the Group and a first legal charge over the freehold land owned by Chapel Down Group Plc.

The Group's bank loans at 31 December 2025 relate entirely to the balance drawn down on the RCF.

The RCF is subject to financial covenants which are assessed for compliance monthly, and at the balance sheet date pertained to interest cover and capital expenditure ratios.

In January 2025, the Group's interest cover covenant was re-configured by PNC to remove the non-cash fair value adjustment on biological produce from the calculation which had been inappropriately included in the initial covenant. As part of this re-configuration, PNC issued a waiver of the covenant in respect of the December 2024 reporting period, however given the waiver was finalised after year-end, at the balance sheet date the Group classified the RCF balance as a current liability under the requirements of IAS 1. From January 2025 and onwards, the RCF balance has subsequently been reclassified as a non-current liability, consistent with its treatment in previous reporting periods, on the basis that the RCF agreement does not contain any contractual repayments until the expiry of the facility in September 2030, at the earliest.

The Group's latest forecasts indicate headroom on its financial covenants for at least 24 months from the balance sheet date, and the re-configuration of the covenants by PNC had no impact on the Group's ability to continue as a going concern, as detailed in note 2.2. PNC remains supportive of the Group's long-term strategy and continued success.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

23. Trade and other payables

	2025 £'000	2024 £'000
Current		
Trade payables	2,675	2,461
Payroll taxes, pension & social security	1,238	1,000
Other payables	2,440	1,583
	6,353	5,044

24.1 Lease liabilities

	2025 £'000	2024 £'000
At beginning of year	9,602	7,888
Additions	785	2,149
Remeasurement	143	27
Extinguishment	-	(7)
Interest expense	644	549
Payments	(1,088)	(1,004)
At end of year	10,086	9,602

The Group has lease contracts for land and buildings and motor vehicles. The Group does not have any leases where the Group is a lessor. Leases are negotiated individually and are for terms of between 18 months and 25 years. The weighted average remaining term of all leases is disclosed below. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. At inception and remeasurement, leases are discounted at the Group's incremental borrowing rate of 2.35% (2024: 2.5%) over the Bank of England base rate. This rate is based on the Group's primary borrowing facility disclosed in note 22, which is deemed by management to be the most appropriate rate for the leases taken out and remeasured while this facility is in place.

Certain of the Group's leases contain rent review clauses that are index linked to the Retail Prices Index ("RPI"). Initially the leases are measured taking into account the RPI at the date of measurement. Subsequently, when the rent review takes place, the lease liability is remeasured.

The Group has identified leases with lease terms of 12 months or less. The Group applies the short-term lease recognition exemption for these leases. The expense recognised in respect of these leases is disclosed in note 6.

	2025 £'000	2024 £'000
Maturity analysis of leases		
Current	496	376
1 to 5 years	1,839	1,354
More than 5 years	7,751	7,872
	10,086	9,602

	2025 years	2024 years
Weighted average remaining term	13.94	15.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

24.2 Allocation of lease interest expense

The Group capitalises part of the lease interest expense to inventory where the lease pertains to a right-of-use asset which is used in the wine production process, and to bearer plants where the right-of-use asset relates to a vineyard that is still in its initial 3-year planting phase (further detail is contained within the accounting policy in note 2.8).

The table below summarises the allocation of the lease interest expense within the accounts:

	2025 £'000	2024 £'000
Allocation of lease interest expense		
Capitalised to inventory	576	485
Capitalised to bearer plants	50	51
Expensed to finance costs	18	13
	644	549

25. Deferred tax liabilities

	2025 £'000	2024 £'000
At 1 January	1,092	893
Charge/(credit) to profit or loss	239	(91)
Debit to equity	9	290
At 31 December	1,340	1,092

The provision for deferred tax is made up as follows:

	2025 £'000	2024 £'000
Accelerated capital allowances	1,717	1,626
Tax losses carried forward and other deductions	(250)	(447)
Share options	(73)	(56)
Short-term timing differences	(54)	(31)
	1,340	1,092

The amount of deferred tax expense recognised in the profit or loss in respect of each type of temporary difference is as follows:

	2025 £'000	2024 £'000
Accelerated capital allowances	91	265
Tax losses carried forward	197	(426)
Share options	(26)	57
Short-term timing differences	(23)	13
	239	(91)



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Financial instruments

The Group's treasury policy is to avoid transactions of a speculative nature. In the course of trade, the Group is exposed to a number of financial risks that can be categorised as market, credit and liquidity risks. The Board has identified the risks within each category and considers the impact on the activities of the Group as part of their regular meeting routine.

Principal financial instruments

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

Trade and other receivables
Cash and cash equivalents
Trade and other payables
Borrowings
Lease liabilities

	2025 £'000	2024 £'000
Financial assets		
Measured at amortised cost		
Trade and other receivables	5,056	3,678
Cash and cash equivalents	262	982
	5,318	4,660
Financial liabilities		
Measured at amortised cost		
Bank loans	12,680	10,141
Trade and other payables	5,115	4,044
Lease liabilities	10,086	9,602
	27,881	23,787

The Directors consider that the carrying amounts of all financial assets and financial liabilities recognised in the financial statements approximate to their fair values (due to their interest-bearing nature or short times to maturity).

Currency risk

The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. The Group is exposed to transactional foreign exchange risk and takes profits and losses as they arise, as in the opinion of the Directors, the cost of hedging against fluctuations would be greater than the related benefit from doing so.

The Group does not hold any trade or other receivables or cash balances in any currency other than pounds sterling.

The Group does not hold any significant trade payables in any currency other than pounds sterling and therefore any sensitivity analysis would be immaterial to these accounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Financial instruments (continued)

Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument will fail to perform or fail to pay amounts due causing financial loss to the Group. Credit risk within the Group arises from cash and cash equivalents, and trade and other receivables. The maximum exposure to credit risk is the carrying amount of these financial instruments.

The Group is subject to concentrations of credit risk from cash deposits in excess of insured limits. The Group places its cash in financial institutions which are considered high quality financial institutions by management. At times, such cash deposits may be in excess of insured limits. The Group does not enter into any derivatives to manage credit risk.

The Group applies the simplified approach permitted by IFRS 9 in calculating expected credit losses. This approach requires expected lifetime losses to be recognised from initial recognition of trade receivables, and the Group uses an allowance matrix approach to measure these expected credit losses. The loss allowance is based on a combination of: (i) aged debtor analysis; (ii) historic experience of write-offs; (iii) any specific indicators of credit deterioration; and (iv) management judgement. All direct-to-consumer sales require payment from the customer before goods or services are provided and therefore no credit risk arises in that regard. The majority of trade sales are made to a small number of large, reputable retailers, where the credit risk is considered to be justifiably low and payments are generally received in line with well-controlled, agreed credit terms.

Given the Group does not have a significant history of irrecoverable debtor write-offs, the Group broadly bases its expected loss rate on current corporate default rates and projections within the wider UK economy, whilst also factoring in any known industry-specific risks and trends that could impact the Group and ensuring a consistent approach with previous periods. For the year-ended 31 December 2025, an average expected loss rate of 4.3% of the gross carrying amount of trade receivables has been applied (2024: 4.2%). The allowance for losses is disclosed in note 17.

For all trade receivables, if there is evidence that there is no reasonable expectation of recovery and the counterparty is in severe financial difficulties, the financial asset will be written off.

Liquidity risk

The Group is exposed to liquidity risk as part of its normal trading cycle. The Group's policies ensure sufficient liquidity is available to meet foreseeable needs through the preparation of short- and long-term forecasts.

The table below summarises the maturity profile of the Group's financial liabilities, based on contractual, undiscounted payments:

	Less than 1 year £'000	1 to 5 years £'000	More than 5 years £'000	Total £'000
Year ended 31 December 2025				
Bank loans	-	12,680	-	12,680
Trade and other payables	5,115	-	-	5,115
Lease liabilities	1,174	4,365	13,325	18,864
	6,289	17,045	13,325	36,659
	Less than 1 year £'000	1 to 5 years £'000	More than 5 years £'000	Total £'000
Year ended 31 December 2024				
Bank loans	-	-	10,141	10,141
Trade and other payables	4,044	-	-	4,044
Lease liabilities	1,008	4,287	17,348	22,643
	5,052	4,287	27,489	36,828

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26. Financial instruments (continued)

Liquidity risk (continued)

The Group's bank loans relate entirely to the balance drawn down on the revolving credit facility, as per note 22. The revolving credit facility agreement does not contain any contractual repayments until the expiry of the facility in September 2030. As such, the whole balance was designated as falling due after more than 5 years in the prior year. This differs to the current liability classification in the consolidated statement of financial position for the prior year due to the basis on which the above liquidity analysis is prepared.

The vast majority of the Group's leases relate to high-value, long-term property leases for prime vineyard land and warehouses. Given the unique long-term nature of the viticulture business, where newly planted vineyards can take a number of years to reach their fully productive potential after being planted, it is normal practice for vineyard land to be leased under 20 to 30-year agreements at a minimum, resulting in large, long tail contractual commitments. As per note 24, at 31 December 2025 the weighted average remaining term on the Group's leases was 13.94 years (2024: 15.20 years).

Capital risk

The Directors define capital as the total equity of the Company. The Directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal structure to reduce the cost of capital. In order to maintain an optimal capital structure, the Directors may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new stock to reduce debt.

27. Reconciliation of net debt and financing liabilities

	2025 £'000	2024 £'000
Cash at end of year	262	982
Bank loans at end of year	(12,680)	(10,141)
Net debt excluding lease liabilities	(12,418)	(9,159)
Lease liabilities at end of year	(10,086)	(9,602)
Net debt including lease liabilities	(22,504)	(18,761)

All changes in liabilities arising from financing activities relate to movements in bank loans, being the drawdowns and repayments against the revolving credit facility with PNC bank, and lease liabilities.

An analysis is provided below:

	2025 £'000	2024 £'000
Bank loans		
At beginning of year	10,141	2,241
Cash flows		
Repayments	(16,311)	(2,290)
Proceeds from borrowings	18,082	9,528
Non-cash changes		
Interest expense	768	497
Capitalised commitment fees	-	165
At end of year	12,680	10,141

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

27. Reconciliation of net debt and financing liabilities (continued)

	2025 £'000	2024 £'000
Lease liabilities		
At beginning of year	9,602	7,888
Cash flows		
Lease repayments	(1,088)	(1,004)
Non-cash changes		
Interest expense	644	549
Remeasurements	143	27
Extinguishment	-	(7)
Lease additions	785	2,149
At end of year	10,086	9,602

28. Guarantees and other commitments

At 31 December 2025 there were guarantees in place in favour of HM Revenue and Customs for £70,000 (2024: £70,000). At the year end, the Directors consider that there are capital commitments of £92,000 (2024: £363,000).

29. Ultimate controlling party

The Directors consider that there is not one ultimate controlling party.

30. Alternative performance measures

In addition to the statutory measures, the Group also measures its performance by reference to Adjusted EBITDA. Adjusted EBITDA is an Alternative Performance Measure ("APM"), and whilst APMs are not required to be reported under International Financial Reporting Standards ("IFRS"), the Group believes the Adjusted EBITDA metric helps users of the accounts to better understand the financial performance of the business.

Adjusted EBITDA relates to profit from operations before interest, tax, depreciation, amortisation, share-based payment expense and exceptional items. The intention is for Adjusted EBITDA to provide a comparable, year-on-year indicator of underlying trading and operational performance by excluding the impact of non-cash or volatile non-trading elements such as financing, depreciation, volatile share price performance or one-off exceptional impacts.

In the current year, the Directors elected to treat the fair value adjustment on measurement of biological produce (see note 15) as an adjusting item, since it is both a non-cash item and a potentially volatile non-trading element of operating profit or loss. The prior year adjusted EBITDA has been restated below to reflect this updated treatment.

A reconciliation of Adjusted EBITDA to operating profit/(loss), the closest IFRS reporting measure, is included below:

	2025 £'000	2024 £'000
Reconciliation of operating profit/(loss) to Adjusted EBITDA		
Operating profit/(loss)	1,281	(902)
Add back:		
Fair value adjustment on measurement of biological produce	(597)	567
Depreciation and amortisation	2,013	1,765
Finance costs	626	536
Share-based payment expense/(credit)	181	(198)
Exceptional items	221	1,217
Adjusted EBITDA	3,725	2,985

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

30. Alternative performance measures (continued)

As stated within notes 14.2 and 25.2, a large portion of depreciation and lease interest expense is absorbed into the statement of financial position (inventory and bearer plants), where the underlying asset is used in the wine production process. Within the Adjusted EBITDA calculation, the Group adds back the full annual depreciation of £2,000,000 (2024: £1,741,000) and finance lease interest expense within operating profit of £626,000 (2024: £536,000) to reflect the fact that the cost of inventory charged to cost of sales includes previously absorbed depreciation and interest.

Given the unique nature of the winemaking process, whereby the overall production period for a bottle of wine will often straddle multiple accounting periods, for practicality purposes the current year total depreciation and interest charges are used as a proxy for the depreciation and interest that is included in current year cost of sales. It should be noted that using the current year full depreciation and interest as a proxy likely results in a higher Adjusted EBITDA than if the actual cost of sales amount was used, however the overriding intention is that this approach ensures Adjusted EBITDA more accurately reflects true trading performance which in management's view outweighs the limitations of using the current year costs as a proxy.

The portion of the total annual depreciation charge of £2,000,000 (2024: £1,741,000) that is used as a proxy for depreciation included within current year cost of sales is £1,624,000 (2024: £1,388,000) and pertains to the total current year depreciation that has been absorbed into inventory and bearer plants.

The portion of the total annual finance lease interest cost of £644,000 (2024: £549,000) that is used as a proxy for interest included within current year cost of sales is £626,000 (2024: £536,000) and pertains to the total current year lease interest cost that has been absorbed into inventory and bearer plants.

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	2025 £'000	2024 £'000
Non-current assets			
Property, plant and equipment	6	21,497	21,596
Investments in equity instruments	7	50	50
Trade and other receivables	8	21,494	18,454
Total non-current assets		43,041	40,100
Current assets			
Trade and other receivables	8	38	28
Cash and cash equivalents	9	-	599
Total current assets		38	627
Total assets		43,079	40,727
Equity and liabilities			
Equity			
Called up share capital	10	8,576	8,576
Share premium	11	31,654	31,654
Revaluation reserve	11	781	812
Retained earnings	11	(8,222)	(10,116)
Total equity		32,789	30,926
Non-current liabilities			
Lease liabilities	13	9,173	8,783
Deferred tax liabilities	14	640	657
Total non-current liabilities		9,813	9,440
Current liabilities			
Trade and other payables	12	31	33
Lease liabilities	13	446	328
Total current liabilities		477	361
Total liabilities		10,290	9,801
Total equity and liabilities		43,079	40,727

The Company made a profit in the year of £1,682,000 (2024: £1,614,000).

The notes on pages 89 to 99 form an integral part of these Company Financial Statements.

The financial statements were approved and authorised for issue by the Board on 28 April 2026 and were signed on its behalf by:

J.R.S. Pennefather

L. Mouton

Company number: 04362181

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Called up Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2025	8,576	31,654	812	(10,116)	30,926
Profit for the year	-	-	-	1,682	1,682
Total comprehensive income for the year	-	-	-	1,682	1,682
Share-based payments expense	-	-	-	181	181
Transfer of excess depreciation charge to revaluation reserve	-	-	(31)	31	-
At 31 December 2025	8,576	31,654	781	(8,222)	32,789

The notes on pages 89 to 99 form an integral part of these Company Financial Statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Called up Share capital £'000	Share premium £'000	Revaluation reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2024	8,567	31,541	843	(11,563)	29,388
Profit for the year	-	-	-	1,614	1,614
Total comprehensive income for the year	-	-	-	1,614	1,614
Share based payments expense	-	-	-	(198)	(198)
Shares issued in the year	9	113	-	-	122
Transfer of excess depreciation charge to revaluation reserve	-	-	(31)	31	-
At 31 December 2024	8,576	31,654	812	(10,116)	30,926

The notes on pages 89 to 99 form an integral part of these Company Financial Statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. General information

Chapel Down Group Plc (“the Company”) is a public company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006. The registered office address and principal place of business is located at Chapel Down Winery, Small Hythe Road, Tenterden, Kent, TN30 7NG. The Company was incorporated on 28 January 2002.

2. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 “Reduced Disclosure Framework” and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 “Reduced Disclosure Framework”:

- The requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payments;
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- The requirements of IFRS 7 Financial Instruments: Disclosures;
- The requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- The requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - Paragraphs 53(a), (h) and (j) of IFRS 16;
 - Paragraph 79(a)(iv) of IAS 1;
 - Paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - Paragraph 118(e) of IAS 38 Intangible Assets;
- The requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- The requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a Group;
- The requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

In the current year the Company has changed the level of rounding applied in the preparation of its financial statements. Amounts are now presented in thousands of pounds (“£’000”), whereas in prior years they were presented in pounds. The Directors consider that this presentation improves clarity and readability, without resulting in the loss of material information. This change affects only the level of rounding applied to disclosed amounts and has no impact on the Company’s reported financial position.

2.2 Foreign currency translation

Functional and presentational currency

Items included in the Company’s financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The consolidated financial statements are presented in pounds sterling, which is Chapel Down Group Plc’s functional and presentation currency.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.2 Foreign currency translation (continued)

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each year end foreign currency monetary items are translated using the closing rate. Non monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income under the heading to which they relate.

2.3 Taxation

Taxation expense for the year comprises current and deferred tax recognised in the reporting year. Tax is recognised in the Statement of Comprehensive Income.

Current tax

Current tax is the amount of tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences that exist only where it is probable that taxable profits will be generated against which the carrying value of the deferred tax asset can be recovered.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences that exist only where it is probable that taxable profits will be generated against which the carrying value of the deferred tax asset can be recovered.

Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint operations where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

2.4 Share-based payments

The Company measures the fair value of equity-settled transactions with employees and Directors at the grant date of the equity instruments. The fair value is calculated using an appropriate valuation model and requires assumptions regarding dividend yields, risk-free interest rates, share price volatility and expected life of an employee or Director share option. The arising expense is charged to the Statement of Comprehensive Income on a straight-line basis over the expected vesting period.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.5 *Property, plant and equipment*

Property, plant and equipment is recorded at cost less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price and any costs attributable to bringing the asset into the location and condition necessary for it to be capable of operating in the manner intended by management. Expenditures for routine maintenance and repairs are expensed as incurred, while additions and improvements are capitalised.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

A right-of-use asset is recognised at the commencement date of the lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date, any initial direct costs incurred, and an estimate of costs expected to be incurred for restoring the site or asset.

Depreciation is charged so as to allocate the costs of assets less their residual value over their estimated useful lives, using the methods below:

Depreciation is provided on the following basis:

- Freehold land and buildings – Straight line over up to 50 years on the buildings and 20 years on Kit's Coty Vineyard
- Short-term leasehold property – 10 years straight line
- Plant and machinery – Between 5% – 20% straight line
- Bearer plants – approach explained below

Land included within Freehold land and buildings is not depreciated.

Assets under construction are not depreciated.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected to arise from the use of that asset. Any gain or loss arising on de-recognition of the asset is included in the income statement when the asset is derecognised.

The Company owns bearer plants in the form of grape vines which are cultivated on land owned and/or leased by the Company. The costs of bringing the vines to maturity for the first 3 years of the vines' life are capitalised. These costs include attributable overheads.

The bearer plants have an expected useful life of 21 years and are depreciated over 21 years once all the attributable costs from year 1 to 3 have been capitalised with the depreciation of the asset beginning in year 3 after the vines are planted in year 1. The method used to depreciate these assets takes into account that the 3rd and 4th year bringing a bearer plant to maturity will offer restricted harvest before the asset will be matured in year 5. In year 3 the asset is depreciated by a third of the annual depreciation rate. In year 4 the asset is depreciated by two thirds and from year 5 the asset is depreciated for the remaining 19 years.

2.6 *Leasing*

The Company applies a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. At commencement of a lease, the Company as lessee recognises a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The amount of the lease liability recognised is on a discounted basis. The discount rates used on transition were incremental borrowing rates as appropriate for each lease based on factors such as the lease term and payment terms. Where the rate implicit in the lease cannot readily be determined the Company used the lessee's incremental borrowing rate. The Company does not have any leases where the Company is a lessor.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.6 *Leasing (continued)*

At commencement of the lease, the Company estimates any variable lease payments that are based on published indices. At the date revised lease payments are determined, the Company remeasures the lease liability at that date, with the corresponding entry being made to the cost of the right-of-use asset related to the lease.

The Company takes advantage of the practical expedient which allows an exemption from capitalisation for leases with terms of 12 months or less and low value leases.

Right-of-use assets are reviewed regularly to ensure that the useful economic life of the asset is still appropriate based on the usage of the asset. Where the asset has reduced in value, the Company considers the situation on an asset-by-asset basis and treats the reduction as an impairment under IAS 36 'Impairment of Assets'.

2.7 *Cash and cash equivalents*

Cash and cash equivalents includes cash in hand and deposits held at call with banks.

2.8 *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial instruments are classified into one of the categories discussed below in accordance with IFRS 9, with reference to the business model for that instrument and the contractual cash flow characteristics.

Financial assets and liabilities are offset and the net amount reported in the financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

The accounting policy for each category is as follows:

Financial assets

Financial assets comprise cash and cash equivalents and receivables.

Receivables primarily consist of trade and other receivables. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially recognised at transaction price plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, adjusted for change in expected credit losses.

Impairment of financial assets

The IFRS 9 impairment model requires the recognition of 'expected credit losses'. Therefore, it is not necessary for a credit event to have occurred before credit losses are recognised. The impairment model applies to the Company's financial assets.

For trade receivables the Company has applied the simplified approach permitted by IFRS 9 in calculating expected credit losses. This approach requires expected lifetime losses to be recognised from initial recognition of the receivables.

Financial liabilities

Financial liabilities include trade and other payables, borrowings and lease liabilities.

Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Lease liabilities

Lease liabilities are recognised at the present value of future lease payments and subsequently carried at amortised cost using the effective interest method.



NOTES TO THE COMPANY FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.8 Financial instruments (continued)

Financial liabilities (continued)

Borrowings

Borrowings are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange is treated as the de-recognition of the original liability and the recognition of a new liability. When the modification is not substantial the difference between the carrying amount of the liability before the modification and the present value of the cash flows after modification is recognised in profit or loss.

Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

2.9 Intangible assets

Intangible assets are held at cost less accumulated amortisation and accumulated impairment losses. Both intangible assets are considered to have a finite useful life. The expected useful life of the customer relationship is estimated to be three years from acquisition. The expected useful life of the website is estimated to be five years from development.

The assets are reviewed for impairment under IAS 36 at each period end.

2.10 Investment in subsidiaries

Investments in subsidiaries are stated at cost less accumulated impairment.

2.11 Impairment

At each reporting date, the Company assesses whether there is any indication that an asset, other than inventories and deferred tax assets, may be impaired. Where an indicator of impairment exists, the Company makes an estimate of the recoverable amount. An impairment loss is recognised in profit or loss whenever the carrying amount of the asset or cash generating unit exceeds its recoverable amount.

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

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

2. Material accounting policy information (continued)

2.11 *Impairment (continued)*

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

2.12 *Related party transactions*

The Company discloses transactions with related parties which are not wholly owned within the same Company. It does not disclose transactions with members of the same Company that are wholly owned. Transactions of a similar nature are aggregated unless, in the opinion of the Directors separate disclosure is necessary to understand the effect of the transactions on the financial statements.

2.13 *New and amended standards adopted by the Company*

The Company has applied the following amendments for the first time for the annual reporting period commencing 1 January 2025:

- *Lack of exchangeability – Amendments to IAS 21*

The amendment listed above did not have any impact on the amounts recognised in prior periods and is not expected to significantly affect the current or future periods.

2.14 *New standards and interpretations not yet adopted*

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

- *Classification and measurement of financial instruments – Amendments to IFRS 7 and IFRS 9*
- *Contracts Referencing Nature Dependent Electricity – Amendments to IFRS 7 and IFRS 9*
- *Annual Improvements to IFRS Accounting Standards Volume 11 – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, IAS 7*
- *Presentation and Disclosure in Financial Statements – IFRS 18*

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

2.15 *Segment information*

The chief operation decision-maker (“CODM”) is considered to be the Board of Directors. The CODM allocates resources and assesses the performance of the business and other activities at the operating segment level.

The CODM has determined that the Company has one operating segment, the production and sale of alcoholic beverages.

3. Critical accounting judgements and key sources of estimation uncertainty

The Company makes judgements, estimates and assumptions that affect the application of policies and the carrying values of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the related actual results but are based on the experience of the Directors and expectation of future events. The estimates are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The Directors consider that there are no assumptions or other sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

The principal areas where judgement is exercised are as follows:

3.1 Property, plant and equipment

The Directors annually assess whether there are any indicators of impairment to property, plant and equipment. If impairment indicators are identified, the Directors will perform a detailed review of both the carrying value and the expected useful life of these assets.

3.2 Amounts owed by group undertaking

The Directors annually assess the carrying value of intercompany debt to assess whether a provision needs to be entered against amounts which may not be recoverable. Interest is charged on the intercompany debt, and the Directors consider it to be set at a market rate.

4. Profit for the financial period

The Company has taken advantage of section 408 of the Companies Act 2006 and, consequently, a Profit and Loss Account for the Company alone has not been presented.

5. Directors' remuneration

The Company had no employees during the year (2024: none). The Non-Executive Directors, as disclosed in the Corporate Governance Statement, are not categorised as employees and provide their services via letters of engagement with the Company.

The Non-Executive Directors' aggregate remuneration in respect of qualifying services was:

	2025 £'000	2024 £'000
Directors' emoluments	109	150

The remuneration of the highest paid Director was as follows:

	2025 £'000	2024 £'000
Directors' emoluments	38	50

The Executive Directors, as disclosed in the Corporate Governance Statement, are regarded as the Company's key management personnel.

All remuneration payable to the Executive Directors, including salaries, bonuses, social security costs, pension contributions and short-term benefits, is borne by another company within the Group. These costs are not recharged to the Company. Accordingly, the Company has not recognised any expense in respect of key management remuneration during the year (2024: £nil).

Correction of prior year Directors' remuneration disclosure

During the preparation of these financial statements, management identified that the Directors' remuneration disclosure for the prior year included certain costs incurred by another company within the Group which were not recharged to the Company. These costs were incorrectly presented as remuneration borne by the Company in the prior year's disclosure.

This correction relates solely to the allocation of amounts within the Directors' remuneration note for the Company and has no impact on the primary financial statements of the Company for either the current or prior year.

The comparative amounts disclosed have been updated in these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

6. Property, plant and equipment

	Freehold land and buildings £'000	Short-term leasehold properties £'000	Right of use assets £'000	Plant and machinery £'000	Bearer plants £'000	Total £'000
Cost						
At 1 January 2025	4,820	220	11,064	680	12,802	29,586
Additions in year	-	-	750	-	477	1,227
Disposals in year	-	-	(1,066)	-	-	(1,066)
Remeasurement	-	-	143	-	-	143
At 31 December 2025	4,820	220	10,891	680	13,279	29,890
Depreciation						
At 1 January 2025	1,288	181	3,412	649	2,460	7,990
Depreciation charge in year	131	24	809	2	503	1,469
Eliminated on disposal	-	-	(1,066)	-	-	(1,066)
At 31 December 2025	1,419	205	3,155	651	2,963	8,393
Net book value						
At 31 December 2025	3,401	15	7,736	29	10,316	21,497
At 31 December 2024	3,532	39	7,652	31	10,342	21,596

7. Fixed asset investments

	Shares in group undertaking £'000	Shares in associate undertaking £'000	Total £'000
Cost			
At 1 January 2025 and at 31 December 2025	50	15	65
Impairment			
At 1 January 2025 and at 31 December 2025	-	15	15
Net book value			
At 31 December 2025 and at 31 December 2024	50	-	-

Shares in group undertaking consists of a 100% Ordinary share holding of English Wines Plc. Shares in associate undertaking consists of a 32% share of Aker Wines and Spirits Limited.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

8. Trade and other receivables

	2025 £'000	2024 £'000
Non-current		
Amounts owed by group undertakings	21,494	18,454
Current		
Other receivables	38	28

9. Cash and cash equivalents

	2025 £'000	2024 £'000
Cash at bank and on hand	–	599

10. Issued share capital

	2025 £'000	2024 £'000
Allotted, called up and fully paid share capital		
171,524,316 (2024: 171,524,316) Ordinary shares of £0.05 each	8,576	8,576

Ordinary shares have full voting rights with one vote per share; they are entitled to dividends when proposed and are due a capital distribution on a company exit event.

The Company's entire share capital is traded on the AIM market, a market operated by the London Stock Exchange plc (ticker CDGP). See note 19 of the consolidated financial statements for further details.

At the year-end there were 5,037,709 (2024: 4,442,768) Ordinary share options outstanding, see note 20 of the consolidated financial statements for valuations.

11. Reserves

Share premium

The share premium reserve represents the premium paid by shareholders over the nominal value of the shares purchased.

Revaluation reserve

This reserve represents the revaluation gain on freehold land and buildings, net of deferred tax adjustments.

Upon transition to FRS 102 in 2015 the valuation of the freehold land and buildings was treated as deemed cost. The reserve is adjusted for excess depreciation on an annual basis.

Retained earnings

This reserve holds the accumulation of profits and losses including any dividends paid to shareholders and the share-based payment reserve arising from equity-issued share options.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

12. Trade and other payables

	2025 £'000	2024 £'000
Current		
Other payables	31	33

13. Lease liabilities

	2025 £'000	2024 £'000
At beginning of year	9,111	7,413
Additions	721	2,032
Remeasurement	143	27
Interest expense	615	521
Payments	(971)	(882)
At end of year	9,619	9,111

The Company has lease contracts for land and buildings. The Company does not have any leases where the Company is a lessor. Leases are negotiated individually and are for terms of between 24 months and 25 years. The weighted average remaining term of all leases is disclosed below. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes. At inception and remeasurement, leases are discounted at the Company's incremental borrowing rate of 2.35% (2024: 2.5%) over the Bank of England base rate.

Certain of the Company's leases contain rent review clauses that are index linked to the Retail Prices Index ("RPI"). Initially the leases are measured taking into account the RPI at the date of measurement. Subsequently, when the rent review takes place, the lease liability is remeasured.

The Company has identified leases with lease terms of 12 months or less. The Company applies the short-term lease recognition exemption for these leases.

	2025 £'000	2024 £'000
Maturity analysis of leases		
Current	446	328
1 to 5 years	1,743	1,250
More than 5 years	7,430	7,533
	9,619	9,111

	2025 years	2024 years
Weighted average remaining term	14.08	15.40

NOTES TO THE COMPANY FINANCIAL STATEMENTS

14. Deferred tax liabilities

	2025 £'000	2024 £'000
At 1 January	657	501
(Credit)/charge to profit or loss	(17)	156
At 31 December	640	657

The provision for deferred tax is made up as follows:

	2025 £'000	2024 £'000
Accelerated capital allowances	640	657

15. Reconciliation of financing liabilities

All changes in liabilities arising from financing activities relate to movements in lease liabilities and an analysis is provided below:

	2025 £'000	2024 £'000
Lease liabilities		
At beginning of year	9,111	7,413
Cash flows		
Lease repayments	(971)	(882)
Non-cash changes		
Interest expense	615	521
Remeasurements	143	27
Lease additions	721	2,032
At end of year	9,619	9,111

16. Guarantees and other commitments

At 31 December 2025 there were guarantees in place in favour of HM Revenue and Customs for £70,000 (2024: £70,000). At the year end, the Directors consider that there are no capital commitments (2024: nil).

During the preparation of these financial statements, management identified that the prior year capital commitments disclosed related to another entity in the Group. Although the error is not material, comparative information has been restated above for completeness. There is no impact on the primary financial statements for the current or the prior year.

17. Ultimate controlling party

The Directors consider that there is not one ultimate controlling party.

EXCLUSIVE SHAREHOLDER BENEFITS

Chapel Down shareholders are eligible for a comprehensive benefits package including discounted wine purchases, early access to new vintages, and a free wine flight when visiting Chapel Down.

There are three tiers of shareholder benefits.

PLATINUM SHAREHOLDERS 10,000+ SHARES

- Ongoing 33% off wine purchases
- Annual guided tour voucher for 4
- 25% off food at The Swan (max 4 guests)
- 25% off non-wine purchases at the Winery shop
- Early booking access to events and exclusive invitations* (priority access)
- Complimentary standard delivery of online orders**

GOLD SHAREHOLDERS 2,000-9,999 SHARES

- Ongoing 33% off wine purchases
- Annual guided tour voucher for 2
- 25% off food at The Swan (max 4 guests)
- 25% off non-wine purchases at the Winery shop
- Early booking access to events and exclusive invitations

SILVER SHAREHOLDERS 1-1,999 SHARES

- Annual 25% discount voucher

* Ticketed events, places subject to availability, details and prices TBC.

** Standard delivery will be £5.95 for all orders under £75.00 for non-Platinum shareholders. Express delivery is £7.99 for all shareholders at any order value. Saturday delivery is £11.95 for all shareholders at any order value.

See our website for full details and terms and conditions.





GET IN TOUCH

SHAREHOLDER

For all Shareholder enquiries,
please contact our Shareholder
Manager, Rebecca Hirst:

T: 01580 763033

E: shareholder@chapeldown.com

ORDER ONLINE

Order our award-winning
sparkling and still wines
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E: retail@chapeldown.com



OUR DIRECTORS AND ADVISORS

Directors

J. D. Brooke

A. J. Carter

(resigned 31 January 2025)

M. R. Glenn

(resigned 24 September 2025)

P. S. Litherland

(appointed 27 August 2025)

L. Mouton

(appointed 8 April 2025)

J. R. S. Pennefather

(appointed 1 February 2025)

R. A. C. Smith

(resigned 8 April 2025)

M. A. Spencer

N. W. Wray

S. A. Wren

Company Secretary

L. Mouton

Registered Number

04362181

Registered Office

Chapel Down Winery

Small Hythe Road

Tenterden

Kent TN30 7NG

Nominated Adviser

Singer Capital Markets Advisory LLP

One Bartholomew Lane

London EC2N 2AX

Auditor

Crowe U.K. LLP

55 Ludgate Hill

London EC4M 7JW

Solicitors to the Company

Cripps LLP

22 Mount Ephraim Road

Tunbridge Wells

Kent TN4 8AS

PR Advisers

H/Advisors Maitland

3 Pancras Square

London N1C 4AG

Registrars

MUFG Corporate Markets

PXS1, Central Square

29 Wellington Street

Leeds LS1 4DL

Company website

chapeldown.com



Chapel Down Group PLC
Chapel Down Winery • Small Hythe • Tenterden • Kent • TN30 7NG
T: 01580 763033 E: sales@chapeldown.com
www.chapeldown.com

