

Company registration number 08791964 (England and Wales)

FLAVOUR WAREHOUSE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2024

FLAVOUR WAREHOUSE LIMITED

COMPANY INFORMATION

Directors	Mr P Boyle Mr K Khilosia Mr D Weber Mr D Luchessa Mr J Boxford	(Appointed 1 May 2025) (Appointed 1 May 2025) (Appointed 1 May 2025) (Appointed 1 May 2025)
Company number	08791964	
Registered office	Global Way Darwen Lancashire BB3 0RW	
Auditor	Pierce C A Limited Mentor House Ainsworth Street Blackburn Lancashire BB1 6AY	
Business address	Global Way Darwen Lancashire BB3 0RW	
Bankers	Barclays Bank plc 8-14 Darwen Street Blackburn Lancashire BB2 2BZ	

FLAVOUR WAREHOUSE LIMITED

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Notes to the financial statements	12 - 25

FLAVOUR WAREHOUSE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2024

The directors present the strategic report for the year ended 30 November 2024.

Review of the business

Flavour Warehouse Limited is one of the UK's leading manufacturers and distributors of e-liquids, vaping hardware, and other reduced-harm products intended to help adult smokers reduce or quit smoking.

The company operates both in the UK and internationally through a wide range of distribution channels — including specialist vape retailers, distributors, supermarkets, convenience stores, and its own branded retail network and e-commerce platforms.

In recent years, the company has grown its footprint and capabilities through a series of strategic acquisitions, which have been successfully integrated to deliver both operational scale and revenue synergies. These integrations, combined with strong brand equity — particularly the flagship brand Vampire Vape — contributed to strong performance and the expansion of the group's consumer base.

Management continued to invest in both the physical infrastructure and people capability of the business. Notably:

- Enhancements to robotic automation driving further efficiency, capacity and accuracy.
- Strengthening the team through key appointments and the development of internal talent, ensuring a blend of governance, innovation and entrepreneurial drive.
- Investments in systems, digital platforms and customer service further enhanced the company's proposition to both trade partners and consumers.

These efforts, underpinned by a values-driven culture, aim to ensure that the company is well positioned for the next phase of growth.

Since the year end, Flavour Warehouse has secured a strategic investment from the JT Group, a global company operating in three business segments: tobacco, pharmaceutical, and processed food. It is headquartered in Tokyo, Japan and listed on the Tokyo Stock Exchange. The JT Group's tobacco business is operated by JTI, based in Geneva, Switzerland. This marks a significant milestone in the company's evolution and provides a strong foundation for continued innovation, operational excellence and growth.

As a result of this partnership, Flavour Warehouse will accelerate its innovation, expand its product portfolio, and strengthen its market presence both domestically and internationally. Continuing its strong commitment to quality, compliance, and customer satisfaction, Flavour Warehouse will continue to operate independently, and lead the industry in providing high-quality vaping products to consumers worldwide.

FLAVOUR WAREHOUSE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2024

Regulatory Landscape

In 2024, the UK government announced reforms to the regulation of vaping products, with legislation expected to take effect from mid-2025. The new rules will introduce a ban on disposable (single-use) vape products from 1 June 2025 and further proposed restrictions covering flavours, packaging and marketing in addition to enhanced enforcement of age restrictions.

In parallel with these regulatory measures, the UK Government has also proposed the introduction of a new excise duty on vaping products, expected to take effect from October 2026. A public consultation on the design and structure of the tax is under way.

Flavour Warehouse has consistently positioned itself as a responsible manufacturer and advocate for evidence-based regulation. The company supports the government's objectives to reduce youth access, protect the environment, and drive higher industry standards.

In response to these developments, the company is actively phasing out single-use vape products in advance of the ban, investing in refillable and modular vape systems that meet future compliance and environmental expectations, reviewing product ranges and packaging to align with emerging compliance standards, and engaging with trade associations and government stakeholders to help shape practical and proportionate regulation.

Additionally, the Company actively manages waste across manufacturing and fulfilment, as well as exploring improvements in its supply chain, supporting its commitment around environment and sustainability.

With a strong quality assurance processes, and deep market insight, Flavour Warehouse is well placed to navigate this period of change. The company views these reforms as an opportunity to lead the market through compliance, innovation and trust-building with adult smokers, regulators and the public alike.

Principal risks and uncertainties

Governance and control remain at the heart of the company's management, and the company has monthly meetings attended by the directors of the company and the senior leadership team. At these meetings risks, uncertainties and opportunities are all discussed with plans implemented to mitigate and manage areas of risk and opportunity.

Market and competitive risk: while the UK market remains competitive, continued brand leadership and market consolidation support a favourable position. Investment in trade relationships and customer service continues.

Foreign exchange risk: the company is exposed to the risk of exchange rate movements and occasionally we use hedging products to mitigate volatility where appropriate.

Reputational and social risk: given increasing media scrutiny around youth access and environmental concerns, Flavour Warehouse remains committed to adult-only targeting, education, and transparent compliance.

Regulatory risk: The company is regulated under the UK Tobacco and Related Products Regulations 2016 (TRPR). E-Cigarettes and e-liquids are subject to a notification scheme for which the Medicines and Healthcare products Regulatory Agency (MHRA) is the competent authority in the UK. Management take all necessary steps to ensure that all requirements under these regulations are met and that appropriate processes and controls exist within the business. We have continued to make investments in this area, proactively engaging in positive steps to support positive regulation.

FLAVOUR WAREHOUSE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2024

Key performance indicators

	2024	2023	change
Turnover	£129.4m	£35.2m	267.6%
Gross Margin	23.6%	57.8%	(34.2%)
Net Margin	11.9%	30.8%	(18.9%)

Revenue showed exceptional growth, with the inclusion of hardware and disposable categories now being sold by this company for the group, whilst margin declined reflecting the mix of sales. The company has continued to invest in infrastructure and people and remains highly profitable and well-positioned for future growth.

Flavour Warehouse actively encourages the involvement of all employees through staff meetings and forums. Communication on all matters of importance to employees are made through a dedicated staff portal, newsletters and by encouraging engagement through collaborative events throughout the year. Staff numbers rose in the year to 239, up from 223 in 2023, with marked improvements in both retention and length of service.

Section 172(1) Statement

The directors provide the following statement pursuant to the Companies Act 2006 (as amended by Companies (Miscellaneous Reporting) Regulations 2018) (the "Act") to describe how they have acted in accordance with his duty under s.172 of the Act to promote the success of the Company for the benefit of its member(s) as a whole, and in so doing, how they have had regard to those factors set out in 172 (1) (a) to (f) of the Act during the financial year.

Furthermore, in compliance with the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended by the Companies (Miscellaneous Reporting) Regulations 2018), the directors provide the statement which follows to describe how they have engaged with employees, and how they have had regard to employee interests and the need to foster the company's business relationships with suppliers, customers and others, in each case the effect of that regard, including on the principal decisions taken by the company during the financial year.

Section 172 requires a Director to have regard to the following matters, among others, when discharging their duty:

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

The Directors are responsible for managing the affairs of the Company to achieve its long-term prosperity by making important decisions, monitoring the underlying performance of the Company, as well as being a means for establishing ethical standards. Understanding the interests of key stakeholders is an important part of the Company's strategy and helps inform the directors' decision making throughout the year.

On behalf of the board

.....
Mr P Boyle
Director

Date:

FLAVOUR WAREHOUSE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2024

The directors present their annual report and financial statements for the year ended 30 November 2024.

Principal activities

The principal activity of the company has continued to be that of the manufacture of e-cigarette fluids and the sale of associated devices and accessories.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Boyle	
Ms S Barker	(Resigned 1 May 2025)
Mr K Khilosia	(Appointed 1 May 2025)
Mr D Weber	(Appointed 1 May 2025)
Mr D Luchessa	(Appointed 1 May 2025)
Mr J Boxford	(Appointed 1 May 2025)

Research and development

The company invests in research and development in order to remain at the forefront of the industry both in terms of flavours offered to the consumer and the design, testing and manufacturing process.

Future developments

Management plan to develop the activities of the company taking into account the general economic conditions that are likely to exist in the coming year recognising that safety, quality, customer experience and service are key to competitiveness.

Energy and carbon report

As the company is a wholly-owned subsidiary of Vintrex Limited (formerly Flavour Warehouse Holdings Ltd), it is not required to report on its emissions, energy consumption or energy efficiency measures. These are included in the disclosures contained within the group director's report of the parent company.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 company will continue in business.

FLAVOUR WAREHOUSE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2024

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

Mr P Boyle
Director

14 July 2025

FLAVOUR WAREHOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF FLAVOUR WAREHOUSE LIMITED

Opinion

We have audited the financial statements of Flavour Warehouse Limited (the 'company') for the year ended 30 November 2024 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

FLAVOUR WAREHOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF FLAVOUR WAREHOUSE LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 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.

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

In identifying and assessing risks of material misstatement in respect of irregularities we considered the following:

- The nature of the industry and the company's control environment.
- Results of our enquiries of management.
- The company's procedures and controls on compliance with laws and regulations and the risks of fraud.
- Discussions among the audit engagement team concerning potential indicators of fraud.

We are also required to perform specific procedures to respond to the risk of management override.

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

FLAVOUR WAREHOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF FLAVOUR WAREHOUSE LIMITED

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.

James King (Senior Statutory Auditor)
For and on behalf of Pierce C A Limited

15 July 2025

Statutory Auditor

Mentor House
Ainsworth Street
Blackburn
Lancashire
BB1 6AY

FLAVOUR WAREHOUSE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	129,393,230	35,164,145
Cost of sales		(98,878,071)	(14,850,010)
Gross profit		30,515,159	20,314,135
Administrative expenses		(15,125,242)	(10,132,990)
Other operating (expenses)/income		(16,430)	639,956
Operating profit	4	15,373,487	10,821,101
Interest receivable and similar income	9	10,366,487	4,458,687
Amounts written off investments	7	(9,821,169)	(4,060,954)
Profit before taxation		15,918,805	11,218,834
Tax on profit	8	(3,990,067)	(2,753,703)
Profit for the financial year		11,928,738	8,465,131

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FLAVOUR WAREHOUSE LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2024

	Notes	2024	2023
		£	£
Fixed assets			
Tangible assets	11	3,027,174	3,182,515
Investments	12	12,312,847	22,073,302
		<hr/>	<hr/>
		15,340,021	25,255,817
Current assets			
Stocks	15	16,237,410	18,038,808
Debtors	16	21,280,083	32,327,821
Cash at bank and in hand		14,298,974	2,977,108
		<hr/>	<hr/>
		51,816,467	53,343,737
Creditors: amounts falling due within one year	17	(6,646,504)	(29,936,426)
		<hr/>	<hr/>
Net current assets		45,169,963	23,407,311
Total assets less current liabilities		60,509,984	48,663,128
Provisions for liabilities			
Deferred tax liability	18	607,700	689,582
		<hr/>	<hr/>
		(607,700)	(689,582)
Net assets		59,902,284	47,973,546
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	20	150	150
Profit and loss reserves		59,902,134	47,973,396
		<hr/>	<hr/>
Total equity		59,902,284	47,973,546
		<hr/>	<hr/>

The financial statements were approved by the board of directors and authorised for issue on 14 July 2025 and are signed on its behalf by:

Mr P Boyle
Director

Company registration number 08791964 (England and Wales)

FLAVOUR WAREHOUSE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 NOVEMBER 2024

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 December 2022		150	47,508,265	47,508,415
Year ended 30 November 2023:				
Profit and total comprehensive income		-	8,465,131	8,465,131
Dividends	10	-	(8,000,000)	(8,000,000)
Balance at 30 November 2023		150	47,973,396	47,973,546
Year ended 30 November 2024:				
Profit and total comprehensive income		-	11,928,738	11,928,738
Balance at 30 November 2024		150	59,902,134	59,902,284

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2024

1 Accounting policies

Company information

Flavour Warehouse Limited is a private company limited by shares incorporated in England and Wales. The registered office is Global Way, Darwen, Lancashire, BB3 0RW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Vintrex Limited (formerly Flavour Warehouse Holdings Limited). These consolidated financial statements are available from its registered office, Global Way, Darwen, Lancashire, BB3 0RW.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The directors are not aware of any material uncertainties affecting the company and consider that the company will have sufficient resources to continue trading for the foreseeable future. As a result the directors have continued to adopt the going concern basis in preparing the financial statements.

1.3 Turnover

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2024

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% reducing balance
Fixtures and fittings	25% reducing balance
Computer equipment	33.33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those costs that have been incurred in bringing the stocks to their present location and condition.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2024

1 Accounting policies

(Continued)

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of investments

Investment in subsidiary undertakings is initially measured at cost and subsequently at cost less any impairment losses. As such, management are required to perform an impairment review on their investment portfolio to ascertain whether any impairment losses have occurred. If any impairment exists, quantifying such an impairment may require judgements to be made.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2024	2023
	£	£
Turnover analysed by class of business		
Principal activity	129,393,230	35,164,145
	<hr/>	<hr/>
Turnover analysed by geographical market		
UK	120,717,015	28,823,642
Europe	7,897,788	6,105,065
Rest of world	778,427	235,438
	<hr/>	<hr/>
	129,393,230	35,164,145
	<hr/>	<hr/>
Other revenue		
Interest income	575,317	458,687
Dividends received	9,791,170	4,000,000
Grants received	-	5,428
	<hr/>	<hr/>

On 1 December 2023, the trade and assets of Premier Retail Limited, a 100% subsidiary company, were hived up to the company at book value. Since 1 December 2023 the former trading activities of Premier Retail Limited have been carried out in this company.

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

4 Operating profit

	2024	2023
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(5,428)
Depreciation of owned tangible fixed assets	700,267	639,738
Operating lease charges	906,977	845,165
	<hr/>	<hr/>

5 Auditor's remuneration

	2024	2023
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	35,700	32,450
	<hr/>	<hr/>
For other services		
All other non-audit services	8,840	21,462
	<hr/>	<hr/>

6 Employees

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

	2024	2023
	Number	Number
Directors	2	1
Managerial staff	3	5
Other employees	234	217
	<hr/>	<hr/>
Total	239	223
	<hr/>	<hr/>

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	7,193,676	4,217,322
Social security costs	674,444	501,618
Pension costs	126,091	98,908
	<hr/>	<hr/>
	7,994,211	4,817,848
	<hr/>	<hr/>

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

7 Amounts written off investments

fixed asset investments	2024	2023
	£	£
Amounts written back to financial assets held at cost	-	3,155
Impairment provision	(9,821,169)	(4,064,109)
	<hr/>	<hr/>
	(9,821,169)	(4,060,954)
	<hr/>	<hr/>

On 1 December 2023, the trade and assets of a 100% subsidiary company, Premier Retail Limited, were hived up to the company in their entirety. Subsequent to this date, the subsidiary, Premier Retail Limited, has no longer traded. As a result, the company's investment in Premier Retail Limited has been written down to £1 resulting in an impairment in subsidiary of £9,821,169 (2023 - written down to its recoverable amount, being the net assets of the subsidiary as at the prior year end. This resulted in an impairment provision of £4,064,109 in the prior year, 2023).

8 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	4,040,396	2,538,333
Adjustments in respect of prior periods	31,553	156,570
	<hr/>	<hr/>
Total current tax	4,071,949	2,694,903
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of timing differences	(81,882)	58,800
	<hr/>	<hr/>
Total tax charge	3,990,067	2,753,703
	<hr/>	<hr/>

In 2021, an increase in the corporation tax rate to 25% with effect from 1 April 2023 was substantively enacted. This resulted in an effective rate of 23.01% in the 2023 financial year, being 8 months at the new rate and 4 months at the previous rate of 19%. For the 2024 financial year the corporation tax rate was 25% for the full year.

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

8 Taxation (Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Profit before taxation	15,918,805	11,218,834
	<hr/>	<hr/>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.01%)	3,979,701	2,581,561
Tax effect of expenses that are not deductible in determining taxable profit	2,464,518	939,414
Tax effect of income not taxable in determining taxable profit	(2,447,793)	(921,687)
Permanent capital allowances in excess of depreciation	(37,912)	-
Other permanent differences	-	(2,155)
Under/(over) provided in prior years	31,553	156,570
	<hr/>	<hr/>
Taxation charge for the year	3,990,067	2,753,703
	<hr/>	<hr/>

9 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	450,296	318,115
Other interest income	125,021	140,572
	<hr/>	<hr/>
Total interest revenue	575,317	458,687
	<hr/>	<hr/>
Other interest receivable		
Income from shares in group undertakings	9,791,170	4,000,000
	<hr/>	<hr/>
Total income	10,366,487	4,458,687
	<hr/>	<hr/>

10 Dividends

	2024	2023
	£	£
Interim paid	-	8,000,000
	<hr/>	<hr/>

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2024

11 Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 December 2023	3,917,508	1,857,081	146,097	40,535	5,961,221
Additions	36,213	344,839	72,292	100,290	553,634
Disposals	-	-	(44,846)	(15,535)	(60,381)
At 30 November 2024	3,953,721	2,201,920	173,543	125,290	6,454,474
Depreciation and impairment					
At 1 December 2023	1,825,085	855,774	74,500	23,347	2,778,706
Depreciation charged in the year	315,537	326,002	35,618	23,110	700,267
Eliminated in respect of disposals	-	-	(44,846)	(6,827)	(51,673)
At 30 November 2024	2,140,622	1,181,776	65,272	39,630	3,427,300
Carrying amount					
At 30 November 2024	1,813,099	1,020,144	108,271	85,660	3,027,174
At 30 November 2023	2,092,423	1,001,307	71,597	17,188	3,182,515

12 Fixed asset investments

	Notes	2024	2023
		£	£
Investments in subsidiaries	13	12,310,347	22,070,802
Investments in joint ventures	14	2,500	2,500
		12,312,847	22,073,302
		<hr/>	<hr/>

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in subsidiaries and joint ventures £
Cost or valuation	
At 1 December 2023	22,073,302
Additions	100,634
	<hr/>
At 30 November 2024	22,173,936
Impairment	
At 1 December 2023	-
Impairment losses	9,861,089
	<hr/>
At 30 November 2024	9,861,089
Carrying amount	
At 30 November 2024	12,312,847
	<hr/>
At 30 November 2023	22,073,302
	<hr/>

13 Subsidiaries

Details of the company's subsidiaries at 30 November 2024 are as follows:

Name of undertaking	Address	Class of shares held	% Held	
			Direct	Indirect
Total Vapour Limited	1	Ordinary	100.00	-
Premier Retail Limited	2	Ordinary	0	100.00
Premier Retail Holdings Limited	2	Ordinary	100.00	-
Premier Vaping Limited	2	Ordinary	0	100.00
Vapouriz Limited	2	Ordinary	100.00	-
Vapouriz Labs Ltd	2	Ordinary	0	100.00
Vapestore Retail Ltd	2	Ordinary	0	100.00
Vapestars Ltd	2	Ordinary	0	100.00
Trulo GmbH	3	Ordinary	50.00	-
Vampire Vape Limited	2	Ordinary	100.00	-
Vampire Vape eLiquids Limited	2	Ordinary	100.00	-

Registered office addresses (all UK unless otherwise indicated):

- 1 Number One, Lanyon Quay, Belfast, Antrim, Northern Ireland, BT1 3LG
- 2 Global Way, Darwen, Lancashire, BB3 0RW
- 3 Ringbahnstraße 7, 41460 Neuss

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

14 Joint ventures

Details of the company's joint ventures at 30 November 2024 are as follows:

Name of undertaking	Registered office	Interest held	% Held	
			Direct	Indirect
Dot Vape Limited	4 Beacon Road, Trafford Park, Manchester M17 1AF	Ordinary	50.00	-
Operation Vape GmbH	Friedrichstraße 104, 40217 Düsseldorf	Ordinary	0	50.00

15 Stocks

	2024	2023
	£	£
Raw materials and consumables	2,869,391	3,566,823
Finished goods and goods for resale	13,368,019	14,471,985
	<hr/>	<hr/>
	16,237,410	18,038,808
	<hr/>	<hr/>

16 Debtors

Amounts falling due within one year:	2024	2023
	£	£
Trade debtors	7,555,153	7,349,387
Corporation tax recoverable	2,335,318	1,954,748
Amounts owed by group undertakings	1,035,769	8,259,733
Other debtors	2,571,025	444,383
Prepayments and accrued income	7,782,818	14,319,570
	<hr/>	<hr/>
	21,280,083	32,327,821
	<hr/>	<hr/>

Prepayments and accrued income includes £5.8m (2023 - £12.7m) in respect of advanced supplier payments for goods not yet received.

17 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	1,682,646	3,838,680
Amounts owed to group undertakings	102,371	17,154,777
Taxation and social security	2,256,196	167,833
Other creditors	7,374	5,116,296
Accruals and deferred income	2,597,917	3,658,840
	<hr/>	<hr/>
	6,646,504	29,936,426
	<hr/>	<hr/>

Other creditors includes deferred consideration payable of £nil (2023 - £4.9m) relating to the acquisition of Premier Retail Holdings Limited.

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

18 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities	Liabilities
	2024	2023
Balances:	£	£
Accelerated Capital Allowances	614,015	692,090
Retirement benefit obligations	(6,315)	(2,508)
	<hr/>	<hr/>
	607,700	689,582
	<hr/>	<hr/>

	2024
Movements in the year:	£
Liability at 1 December 2023	689,582
Credit to profit or loss	(81,882)
	<hr/>
Liability at 30 November 2024	607,700
	<hr/>

19 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	126,091	98,908
	<hr/>	<hr/>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20 Share capital

	2024	2023	2024	2023
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	150	150	150	150
	<hr/>	<hr/>	<hr/>	<hr/>

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2024

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	849,464	794,690
Between two and five years	2,072,738	2,811,004
	<hr/>	<hr/>
	2,922,202	3,605,694
	<hr/>	<hr/>

The company rents the premises from which it trades from a connected party. A new lease was entered into during the prior year, at commercial rates.

22 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales	Sales
	2024	2023
	£	£
Entities over which the entity has control, joint control or significant influence	2,108,437	1,937,056
	<hr/>	<hr/>

The following amounts were outstanding at the reporting end date:

	2024	2023
Amounts due to related parties	£	£
Entities over which the entity has control, joint control or significant influence	-	1,930,390
	<hr/>	<hr/>

Other information

The company has taken advantage of the exemption from the requirement to disclose related party transactions between 100% group companies.

23 Directors' transactions

During the year, the company operated a loan account with one of its directors. At the balance sheet date, an amount of £50,000 (2023: £50,000) was due to the company. Interest is charged on the loan at the official rate of interest set by HMRC.

FLAVOUR WAREHOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2024

24 Ultimate controlling party

The ultimate controlling party as at the balance sheet date was Mr P Boyle by virtue of his majority shareholding in the ultimate parent company, Vintrex Limited (formerly Flavour Warehouse Holdings Limited).

Post year end, on 1 May 2025, investment was made into the company by JT International SA, a company incorporated in Switzerland, and part of the JT Group. Since 1 May 2025, the ultimate controlling party is Japan Tobacco Inc, a company incorporated in Japan, and part of the JT Group.

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