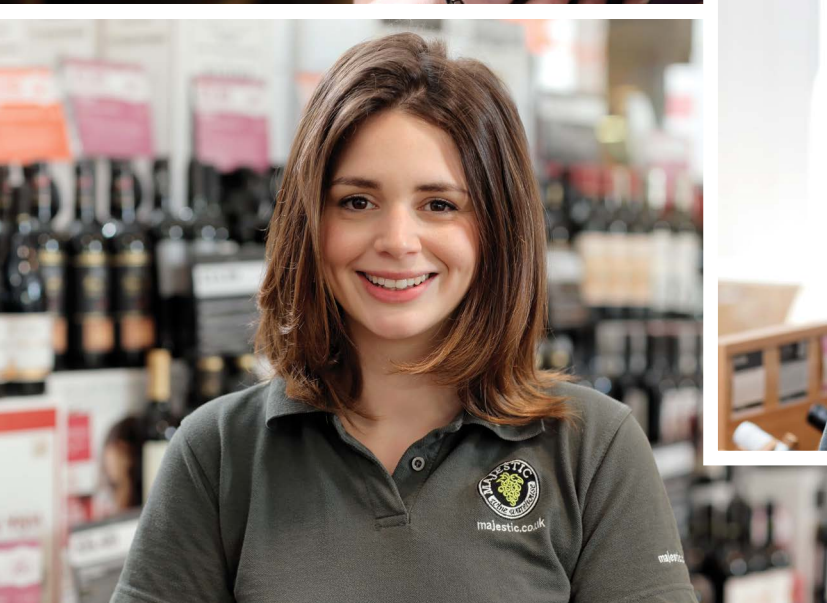


**Majestic Wine PLC**  
Annual Report & Accounts 2015



Discover and explore  
the magic of wine



Welcome

# TOGETHER WE ARE MAJESTIC

Majestic aims to inspire everyone to discover and explore the magic of wine. We stock wines for every occasion. Our range is innovative, vibrant and diverse whilst representing the best quality and value.

With some of the best trained people in the business, we share our enthusiasm and expertise to encourage our customers to explore the world of wine.

“

I'm passionate about fine wine and Majestic Mayfair is a great environment to fulfil my interest.

Sam, Majestic Mayfair



Find out more about our brilliant people

19



## Strategic Report

### Key Points

### £18.4m

Group profit before tax decreased by £5.4m to £18.4m (2014: £23.8m)

### 2.3%

Total sales up 2.3% to £284.5m (2014: £278.2m)

### 1.9%

Like for like sales in UK retail stores up 1.9% (2014: -0.1%)

### £19.0m

Majestic Wine Warehouses Ltd: Profit before interest and tax at £19.0m (2014: £21.4m)

### (£0.1m)

Lay & Wheeler: Loss before interest and tax at £0.1m (2014: Profit of £1.0m)

### £1.4m

Majestic in Calais: Profit before interest and tax at £1.4m (2014: £1.5m)

### Our Vision



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### Our Business Model



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### Our Strategic Pillars



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### Acquisition of Naked Wines



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Strategic Report  
At a Glance

# OUR VISION

Our aim is to inspire everyone to discover and explore the magic of wine.

## OUR STRATEGIC PRIORITIES

Majestic has a clearly defined growth strategy which has been developed taking into account the market, our unique proposition and how we create value.

## WHAT WE'VE DONE

Investments in market and customer insight, better infrastructure and latest technologies will drive future value for the business and our shareholders.

## OUR BUSINESS MODEL

Our model aims to maximise sales by leveraging our unique competitive advantages, whilst maintaining a low cost base. Through this we are able to generate strong cash flow which can be re-invested to take advantage of significant future growth opportunities.

**Our unique proposition**



**Maximise sales**



**Lean cost base**



**Strong cash generation**



**Invest for future growth**



### LEVERAGING STORE FOOTPRINT

- Central Head Office successfully moved in May 2014 and Distribution Centre relocated to a larger, modern facility in July 2014 to support future growth.
- We have opened in ten new locations during the financial year in Leighton Buzzard, Hexham, Loughton, Addlestone, Tiverton, Taplow, Wrexham, Bedford, Devizes and Fort Kinnaird in Edinburgh.



### GROWING SALES TO BUSINESS CUSTOMERS

- Increased size of Commercial sales team to 56 Business Development Managers and Key Account Managers.
- New Distribution Centre enables greater central stock holding of Commercial wines.
- Launched 'Hand-Picked by Majestic' in November 2014, our new proposition of exclusive wines for the London premium fine dining sector.
- Extended our range of Commercial exclusive wines to 84 lines.



### GROWING PENETRATION OF MULTICHANNEL SALES

- Increased investment in our in-house multichannel team to deliver enhanced and segmented customer communications.
- We have merged multiple data sources to create a single multichannel view of our customers.
- Successfully launched app, myMajestic, at the end of the reporting period.



### ENGAGING CUSTOMER RELATIONSHIP MANAGEMENT

- Completed in-depth analysis of our customer data and premium wine market opportunities. This helps us to understand how customers interact with us across the entire multichannel offering.
- Now working with CRM agency to deliver new multichannel strategy.
- Increased investment in our in-house multichannel team to deliver enhanced and segmented customer communications.

## OUR MEASURES

The Group monitors a number of performance indicators both financial and non-financial. These indicators are discussed in the Chairman's Statement, and the Strategic Report.

# 212

Number of stores trading in the UK

# 1.9%

Like for like sales increase in UK retail stores

## OUR PLAN OF ACTION

The acquisition of Naked Wines represents a transformational deal. The transaction creates a significant strategic opportunity for both businesses by sharing complementary strengths: Naked Wines' online and e-commerce skills and Majestic's national store network.

Our focus is to invest in initiatives that give customers a compelling reason to visit our existing stores and to limit new store openings to the 20 or 30 locations that can deliver an acceptable return on investment. We are currently testing the impact of removing the minimum purchase with simplified pricing. We plan to test alternative store formats and layouts.

## OUR RISKS

The Group maintains a register which documents the risks facing the business and the actions taken to manage them. The register is assessed on an ongoing basis but at least annually. The register is reviewed by the Audit Committee.

The Group operates from over 200 retail units. There is a risk that we may open in inappropriate locations, overpay for sites or overstretch by expanding too quickly. The Group mitigates against this by undertaking a rigorous appraisal of each store location and insist on break clauses where deemed necessary.

# £42.1m

Total Commercial sales (2014: £37.3m)

# 2,844

Number of active Commercial customers (2014: 2,420)

Majestic Commercial targets a poorly served sector – independent restaurants, pubs, and companies, who are too small for the wholesalers and too big for retailers. We plan to accelerate growth in the sectors for which we have a competitive advantage. This requires investment in systems to simplify order entry and supply chain to build on our competitive advantage without compromising retail sales.

The Group recognises that it is essential to its success to attract, retain and motivate staff at all levels in the organisation. The Group considers its employment policies regularly and provides a comprehensive package of salary and benefits, including bonuses and participation in the Group's share option schemes. Great emphasis is placed on training in order to help employees achieve their full potential.

# £31.1m

Total online sales (2014: £27.7m)

# 12.1%

Proportion of UK retail sales (2014: 11.4%)

We will leverage Naked Wines' digital strengths to give Majestic's people and customers the personal, integrated channel environment they deserve. We plan to rebuild the supply chain to optimise on shelf availability and working capital. We will develop robust and scalable IT, with the development agility required to support ongoing innovation.

The business is dependent on information technology systems and a significant failure may impact the Group's ability to trade. The Group has extensive controls in place to ensure the integrity and reliability of its systems. Recovery plans are in place to ensure that any disruption from a failure can be kept to a minimum and they are regularly tested.

# 678,000

Number of customers who made purchases

# 61,000

Number of customers who attended a tasting event (2014: 53,000)

We will build on the most important reason that customers love Majestic – our people. Further investment in training and retention is required to equip our staff to fulfil their potential and keep experienced retailers in store. We aim to build sustainable sales growth through a personalised service, delivering on our discovery promise and greater recognition of loyalty.

The retail industry is very competitive. The Group competes with a number of retailers of varying size on areas including price, range, quality and service. Failure to compete effectively could have an adverse impact on the financial results. Apart from regularly monitoring performance against competitors in these areas the Group mitigates its exposure by ensuring that the business is differentiated from the competition by the level of service delivered to customers and the diversity and quality of our range.

# TRANSFORMING OUR FUTURE



**Phil Wrigley**  
Chairman

The financial year ending 30 March 2015 proved to be challenging and profit before tax was 22.5% lower at £18.4m. This figure reflects a number of exceptional, one-off costs related to the deal to acquire Naked Wines and changes in members of the senior leadership team. Despite the challenging backdrop of a fiercely competitive environment we continued to grow market share, by 0.1% to its highest ever level at 4.3%, whilst UK like for like sales grew by 1.9%.

### Transforming our future

I would like to welcome our new CEO Rowan Gormley, and all of our new colleagues at Naked Wines, to the enlarged Majestic Group. Rowan has a fantastic track record as a successful businessman, innovator and entrepreneur in the wine industry and beyond. He has assembled a deep pool of talent at Naked Wines with a similar culture to Majestic.

Rowan has made a fantastic start. In a short period of time he has delved deep into every aspect of the business and has identified a number of initiatives which have the potential to restore Majestic Wine to profitable growth. He brings with him a disciplined investment approach based on testing new ideas and analysing how customers respond to them. The Board believes that now is the right time for fresh thinking and for trialling new initiatives however, at this early stage it is impossible to know which will work and how large and how fast any return will be. We are fully supportive of the team's ongoing strategic review and look forward to sharing the results with our shareholders in due course. We are confident that Rowan and the team will be successful.

The acquisition of Naked Wines in April 2015 following the end of the period under review represents a transformational opportunity for both businesses. Both have significant strengths which are very complementary. Majestic has considerable expertise in distribution, a nationwide UK store network, and friendly knowledgeable staff who excel in delivering exceptional customer service. These competencies are a perfect fit with Naked Wines' unique sourcing and selling model. This acquisition will significantly accelerate the planned development of Majestic's online capabilities whilst providing Naked Wines with the infrastructure to enable a Click & Collect delivery option for its customers. In addition, this acquisition opens up attractive international markets in the United States and Australia which increase our potential customer reach eightfold.

### Board appointment

I was delighted to welcome Anita Balchandani to the Board as a non-executive Director on 10 June 2015. Anita is a Partner and Sector Head of the UK Retail Practice for OC&C Strategy Consultants, a leading international consulting firm. She brings a wealth of knowledge to the Board from her experience of working with clients to make the transition towards successful multichannel operating models and unlocking insight and value from customer data.

### Dividend

As previously announced on 10 April 2015 the final dividend for the financial year 2015 and the interim dividend for the financial year 2016 will be withheld, with future dividends to be progressively re-instated by the financial year 2018. This decision reflects the Board's intention to reduce balance sheet leverage resulting from the acquisition of Naked Wines, ensure that the business has sufficient working capital resources and to invest in the business where attractive returns are proven.

### People

I would like to take this opportunity to thank all of our teams for their unwavering enthusiasm and focus on delivering a great customer experience at Majestic. This unrivalled level of service enjoyed by our customers most clearly differentiates Majestic from the competition. I was particularly pleased to find that all the team at Naked Wines share a similar passion and customer-led culture.

### Investing for the future and outlook

We are excited about embarking on a new chapter for Majestic. We are well progressed with a major review of the business and we will announce in more detail at the time of our interim results our plans to restore Majestic Wine to profitable growth whilst expanding Naked Wines' successful business, and crystallising the benefits of the acquisition. The Board are very focused on delivering results and creating significant value for our shareholders.

**Phil Wrigley**  
Chairman  
12 June 2015

## Marketplace

# INCREASING OUR CUSTOMER REACH

Majestic is the UK's largest wine specialist, offering a highly differentiated proposition to our 678,000 active customers.

Majestic operates in the premium sector of the UK wine market (which grew at 6.7% last year\*\*), in a competitive, multichannel retail environment.

Multiple grocers account for the majority of still and sparkling wine sold in the UK (84% by volume, Nielsen, April 2015), however, Majestic also faces competition from online and national wine specialists. Majestic has a highly differentiated proposition that delivers a compelling proposition to our customers.

Majestic still wine  
average bottle price

£8.00

Wine market still wine  
average bottle price\*

£5.43

Majestic Wine still wine  
value growth\*

+3.3%

Wine market still wine  
value growth\*

+0.2%

\*Source: 52 weeks to April 2015, Nielsen

\*\*Still, sparkling wine and Champagne between £7-£25

## Our unique proposition



Exceptional  
customer service

### Highly trained employees

We have an extensive training programme designed and delivered in-house that is widely recognised as amongst the best in the industry.

### Customer engagement

Our passionate, personable and knowledgeable store teams take great pride in always putting our customers needs first whilst inspiring them to explore our range.



Diverse and  
interesting range

### Extensive range to explore

We're passionate about the wines that we select for our customers, who can explore an extensive, creative range at affordable prices.

### Party services

Our substantial depth of stock held in store allows us to provide a full party service, including free glass loans and sale or return.



Taste before  
you buy

### Taste and explore

Every Majestic store offers a varied calendar of free to attend wine events, including The Wine Course, Seasonal Tastings and our Spotlight Tastings.

### Tasting counter

Our store teams will always guide customers through the varied selection of wines available to taste at our tasting counter.



Complimentary  
channels with free  
UK delivery or click  
and collect

### Enhanced website

Browse all wines available at any local Majestic store, enhanced click and collect and intelligent staff recommendations.

### myMajestic

Majestic Wine app, which helps our customers explore our range, access their purchase history, save private notes and ratings, and manage their list of favourite wines.

### Free delivery of 6 bottles

Category leading free delivery of any 6 bottles throughout the UK.

# CREATING VALUE

Our model aims to maximise sales by leveraging our unique competitive advantages, whilst maintaining a low cost base. Through this we are able to generate strong cash flow which can be re-invested to take advantage of significant future growth opportunities.

MAXIMISE SALES

LEAN COST BASE

## OUR UNIQUE PROPOSITION

Exceptional customer service  
Diverse and interesting range  
Taste before you buy  
Complimentary channels with free UK delivery or click and collect

STRONG CASH GENERATION

INVEST FOR FUTURE GROWTH

Majestic Wine is a specialist retailer of wine operating in four divisions:

### MAJESTIC WINE WAREHOUSES

Majestic Wine Warehouses is the largest wine specialist in the UK selling exceptional wine by the mixed case. Majestic differentiates itself by the high quality of its customer service and advice, the diversity and quantity of stock available to purchase at each store, its dedicated on-site customer parking, wines to taste for free every day, the ability to order in-store or online and the availability of free delivery throughout mainland UK.

### NAKED WINES

In April 2015 Majestic Wine acquired Naked Wines, an international online wine retailer, with a unique subscription model where customers fund talented, independent winemakers.

### MAJESTIC WINE CALAIS

Majestic Wine Calais, a retailer based in Calais selling to UK consumers wishing to take advantage of the lower rate of alcohol duty in France.

### LAY & WHEELER

Lay & Wheeler, a fine wine merchant with particular expertise in en primeur sales, cellarage and broking of customer reserves.

## Our Strategic Pillars

Majestic has a clearly defined growth strategy which has four key components:

OUR AIM IS TO  
**INSPIRE** EVERYONE  
TO DISCOVER AND  
EXPLORE THE  
**MAGIC** OF WINE



### LEVERAGING STORE FOOTPRINT

Majestic is more accessible than ever and we believe that there is significant scope to grow sales through our core estate by investing to enhance our customer proposition, CRM capabilities and ultimately drive additional traffic to store.



READ MORE ON PAGE 08



### GROWING SALES TO BUSINESS CUSTOMERS

Majestic is particularly well suited to meet the needs of business customers. We hold extensive stocks at each of our locations with the ability to offer credit facilities and arrange deliveries seven days per week. We are investing in increasing the size of the Commercial sales team to accelerate acquisition of business accounts.



READ MORE ON PAGE 10



### GROWING PENETRATION OF MULTICHANNEL SALES

Our strong brand and national store network present a clear competitive advantage and enhance our proposition to customers who shop across channels. Through technology we are rolling out new personalised experiences online with relevant and timely communications through email and mobile channels.



READ MORE ON PAGE 12



### ENGAGING CUSTOMER RELATIONSHIP MANAGEMENT

We understand that we need to work hard to earn loyalty from our customers, keeping them engaged with our brand whilst encouraging them to further their knowledge and enjoyment of wine. There is a significant opportunity to use Naked Wines' proven CRM expertise to improve customer experience, loyalty and share of wallet.



READ MORE ON PAGE 14

Strategic Report  
Our Strategic Pillars:  
Leveraging Store Footprint

# A FRESH NEW LOOK

Majestic is more accessible than ever with a fantastic store footprint spanning from Inverness in the Highlands to Falmouth in Cornwall. Our focus is to invest in initiatives that give customers a compelling reason to visit our existing stores and to limit new store openings to the 20 or 30 locations that can deliver an acceptable return on investment.

We believe that further improvements to our in-store customer proposition and enhancements to our CRM capability to increase customer loyalty will further unlock the potential of the core estate to drive sales. Since the acquisition of Naked Wines, we have introduced a click and collect service for Naked Wines' customers, just one of many ways we are looking to drive traffic to our store estate.

We are always looking at ways in which we can fine-tune our stores to suit the location and local market. Majestic Mayfair is one of our most established stores, sited in an enviable position on one of London's most sought-after streets. We wanted to offer something new for our Mayfair customers that reflected the premium location. We were therefore immensely proud to open the new and improved Majestic Mayfair store in February 2015 after a significant refit.

## PERFORMANCE

£254.6m

Sales from retail stores  
(2014: £242.1m)

212

Total number of stores

10

We've opened ten  
new stores this year

### Locations

- Leighton Buzzard
- Hexham
- Loughton
- Addlestone
- Tiverton
- Wrexham
- Maidenhead, Taplow
- Bedford
- Devizes
- Edinburgh, Fort Kinnaird



## MAJESTIC MAYFAIR REFITTED AND RESTYLED



Ladies and gentlemen, the wait is over!

The new and improved Majestic Mayfair store is now open for business. With our brand new state of the art tasting counter and an even greater selection of top quality wines, we welcome you to come and have a look for yourselves and maybe even try a few while you're here.

We want to thank all our loyal customers for your patience during our refit and look forward to seeing you again soon. For those of you who are new to our store, you really are in for a treat! We believe that we are now the best wine shop in London, we just hope you'll be able to see for yourselves and agree.

**The Team at Majestic Mayfair**

Strategic Report  
Our Strategic Pillars:  
Business Customers

## EXCLUSIVE APPEAL

### CONFIDENCE IN WINE

Majestic Commercial's Confidence in Wine course is a relaxed, interactive, informative and fun way for business teams to start learning about the world of wine.

The course is exclusive to Majestic Commercial customers and offers valuable insights that can help boost their wine sales and reinforce our strong customer relationships.



Our Account Managers have supported us from day one with an excellent personal service... they have provided staff training sessions to enable us to keep our team knowledgeable and engaged. This is incredibly valuable for an independent like ourselves.

**Emma Oliveira**  
The Fig and Olive

84

Number of wines exclusive  
to Commercial customers





We were delighted to win Great Value Merchant of the Year 2015 at the Sommelier Wine Awards for the third consecutive year.



Majestic Commercial's strategy for this competition has always been based heavily on the more affordable end of things. It's a gamble, because competition there is fierce and the margin for error is slight, but it keeps paying off. This was their third Great Value award on the trot.

The judges were impressed with the way they managed to mix classics like Pinot Grigio or Rioja Crianza with more niched alternatives like Gruner Veltliner or Prosecco-alternative Italian fizz. And no one else came close to pricing that saw 90% of their medal winners coming in under £10.

**Chris Losh**  
Competition Director



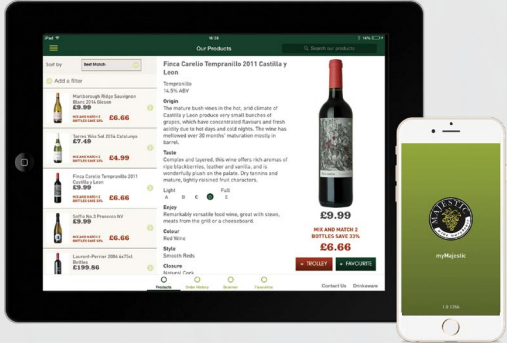
GREAT VALUE MERCHANT

Strategic Report  
Our Strategic Pillars:  
Multichannel Sales

# ACCESSIBLE TO ALL

We are investing in the latest online and mobile tools to help personalise Majestic's relationship with our 678,000 active customers. In addition to launching the new myMajestic app we have successfully implemented a programme of segmented customer email communications; enhanced product reviews and social media content of the website; and invested to grow our in-house team to allow swift developments to our multichannel proposition.

**MYMAJESTIC**



Introducing the official Majestic Wine app, myMajestic, which helps you get the most out of your wine enjoyment wherever you are. Explore our range, access your purchase history, save private notes and ratings, and manage your list of favourite wines.

**Browse past purchases**  
Whether you're an online or in-store shopper, you can check out your past purchases to rediscover old favourites.

**Personal favourites list**  
Your Favourites list is the easy way to keep track of the wines you love, with the help of Personal Notes and Ratings.

**New discoveries**  
Access our expert knowledge in the comfort of your own home. Search our full range, or if you have a bottle scan the barcode to read our tasting notes, food matches and learn more about its origins.

**Food & wine matching**  
Bring food and wine together with our handy pairing tips – they show you which flavours work best together.

**All the latest news**  
Direct from your local Majestic store, plus great content delivered specifically for app customers.

**£10 off in-store or online**  
Download today and get £10 off your next Majestic shop!

“  
Someone is going to re-invent wine retail in a mobile age – we'd like that to be us.  
”

**Rowan Gormley**  
Chief Executive

 **Want to discover more?**  
Visit us online:  
[www.majestic.co.uk](http://www.majestic.co.uk)



**CUSTOMER ENHANCED  
PRODUCT REVIEWS**

Santa Ana Malbec 2014 Mendoza

Adi17 – March 2015 ★★★★★

“Santa Ana

We bought this wine after falling in love with Malbec during our time in Mendoza; it did not disappoint and took us right back to sitting in the sun, sipping on a fantastic vintage with good food.”

Perfect with... red meat



Brian – March 2015 ★★★★★

“Hard to resist

Although relatively light in volume at 12.5%, Santa Ana is big in taste, rounded and full of flavour with a plummy fruitiness that lingers on the palate. Exceptionally good value even at its listed price. When on a two bottle offer it’s hard to resist.”

Perfect with... red meat



Strategic Report  
Our Strategic Pillars:  
Engaging Customer Relationship Management

# COMPETITIVE ADVANTAGE

We began to implement a new CRM strategy during 2014 to enhance and personalise customer communications. We plan to focus on building long term customer loyalty and to greater engage customers with the unique personal service available at Majestic.

The strategy aims to build a more engaging, personal and relevant relationship with our customers, by bringing consistency to on and off line communication and beginning to use our rich data in a more sophisticated and targeted way.

We successfully executed the first stage of the strategy to enhance and segment our database to enable better targeted multichannel customer communications. We launched a new customer welcome programme in November 2014 with promising initial results. This is designed to increase the proportion of new customers who return for future visits.

In the 2015 financial year we plan to deliver further initiatives to improve retention, increase customer satisfaction and drive advocacy amongst our most loyal customers.

## PERFORMANCE

678,000

Number of customers who made purchases

61,000

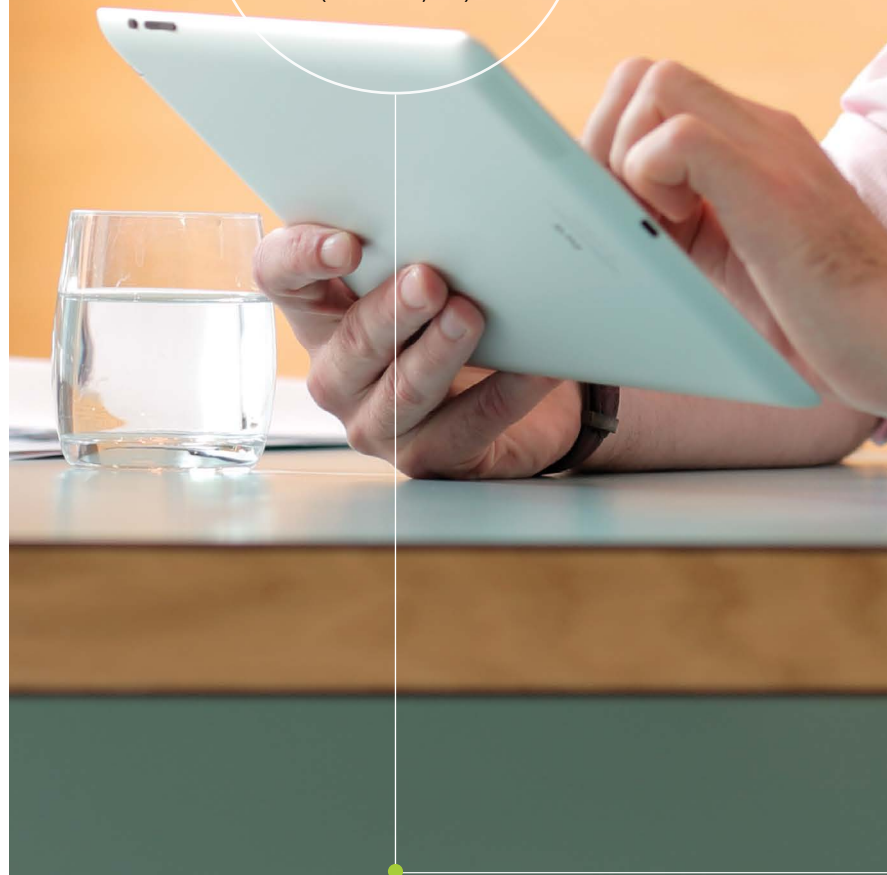
Number of customers who attended a tasting event

“

The strategy aims to build a more engaging, personal and relevant relationship with our customers, by bringing consistency to on and off line communication and beginning to use our rich data in a more sophisticated and targeted way.

45.9%

Increase in customer email addresses to 394,000 (2014: 270,000)





## NEW CUSTOMER WELCOME PROGRAMME

The welcome programme is a series of communications to every new customer that introduces them to the team at Majestic and encourages future purchases. There are three main elements to the programme.

### **In-store**

Welcome begins during a customer's first visit to Majestic. Having enjoyed a great experience, and probably tasted some wine, with a member of our friendly and knowledgeable team they leave with an introductory booklet and tasting notes. The next day we email a voucher for a second shop – a free bottle of wine chosen especially for them.

### **Email and Direct Mail**

Over six months customers receive personalised communications at specific stages. We aim to highlight the unique benefits of shopping with Majestic and provide inspiration to further explore the world of wine with us.

### **One on Wine**

Every new customer is invited to our personalised wine consultation 'One on Wine'. This helps people to find their 'perfect bottle' and get the best out of our vast range.

Strategic Report  
Acquisition of Naked Wines

# THE START OF AN EXCITING JOURNEY

In April 2015 we acquired Naked Wines, a customer funded international online wine business to create an international, multi-channel specialist wine retailing group.

The transaction creates a significant strategic opportunity for both businesses by sharing complementary strengths: Naked Wines' online and e-commerce skills and Majestic's national store network. The transaction also opens up attractive international growth in the USA and Australia. Majestic and Naked Wines will continue to operate as independent brands.



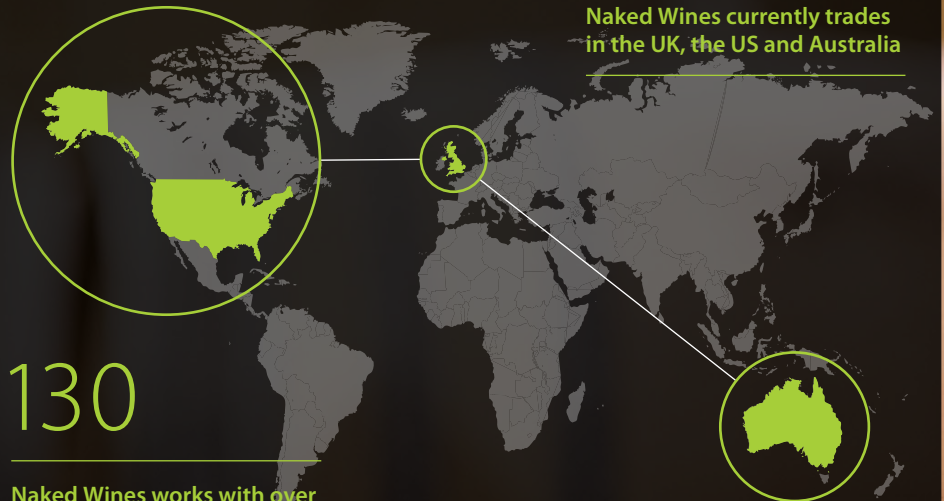
## THE OPPORTUNITY

### TO BUILD A WINE RETAILER...

- ...that can **THRIVE** in a market of commoditised, discounted and boring wines.
- By giving customers the **INSPIRATION** they are looking for – and supermarkets can't provide.
- By combining the core **STRENGTHS** of the two companies:
  - Majestic's friendly knowledgeable staff and nationwide network.
  - Naked Wines' ability to take customers on a journey.
  - Both companies ability to source exclusive, exciting wines.
- And using the **PREFERRED** tools customers want to use – especially mobile.

➔ [www.nakedwines.com](http://www.nakedwines.com)

➔ **Our Investor Presentation:**  
[investors.majestic.co.uk/system/files/press/InvestorPresentation10April.pdf](http://investors.majestic.co.uk/system/files/press/InvestorPresentation10April.pdf)



# 130

Naked Wines works with over 130 independent winemakers in 14 countries

### THE OPPORTUNITY FOR ACCELERATED GROWTH

- A unique, customer led business model with world class online and CRM expertise.
- An eightfold increase in target market, through presence in the US and Australia.
- Entrepreneurial culture and very strong talent pool.

### THE OPPORTUNITY FOR MAJESTIC WINE

- Improved online capabilities.
- CRM development.
- Supply of exclusive wines.
- International growth.

# £80m

Naked Wines is a high growth business with sales of £80m, up over 40% year on year

# 300,000+

Steady recurring cash in-flow from Naked Wines 300,000+ strong subscriber base (called 'Angels')

# “

The combination of Naked Wines and Majestic provides the very exciting opportunity to build a world class wine retailer, serving customers who are looking for inspiration that the supermarkets cannot provide. This is great news for the customers, staff and suppliers of both businesses and will ultimately create significant shareholder value.

**Rowan Gormley**  
Chief Executive

# MARKET POSITION AND CUSTOMER PROPOSITION

We are in the business of helping wine lovers discover the magic of wine.



**Rowan Gormley**  
Chief Executive



Although I have only been Chief Executive for ten weeks, it is clear to me that the enlarged Majestic Group has excellent future prospects.

**Our key competitive strengths are:**

**Our staff** – we have over 800 friendly, knowledgeable and highly trained staff in our stores, who love the product they sell and excel in serving our customers in a way that supermarkets and other discounters cannot;

**Delivery and availability** – with over 200 wine warehouses each with its own delivery vans, we are able to deliver range and convenience with wines open to taste every day;

**Buying** – we sell significant volumes of wine in our £7-£10 sweet spot range which gives us a unique buying advantage with medium sized wineries and especially those that are family run.

The acquisition of Naked Wines strengthens this competitive positioning even further. The addition of the US and Australian markets increases our market reach eightfold. Naked Wines' proven and successful online capabilities give Majestic additional expertise to help develop its own better and more quickly, and Naked Wines' direct sourcing model and winemaking knowledge can help further improve the range Majestic offers.

**Looking forward**

Although I have only been Chief Executive for ten weeks, it is clear to me that the enlarged Majestic Group has excellent future prospects.

However, it is also clear that Majestic Wine had a period of challenging trading in recent years. Profit declined last year with growth in online and commercial sales not enough to offset the underlying sales decline in the more mature Majestic stores.

There are a number of areas where customers are telling us that we need to do better, and issues which are holding us back need to be addressed.

**My initial priorities are to:**

- Make the shopping experience simpler, easier and more fun;
- Invest further in staff training and retention in order to equip our staff to fulfil their potential and keep our experienced retail staff motivated in store;
- Build sustainable sales growth through personalised service, delivering on our discovery promise and recognising loyalty;
- Rebuild the supply chain to optimise 'On Shelf Availability' and reduce working capital requirements;
- Deliver robust and scalable IT, with the development agility required to support ongoing innovation;
- Limit new store openings to the 20-30 locations that can deliver a good return on investment.

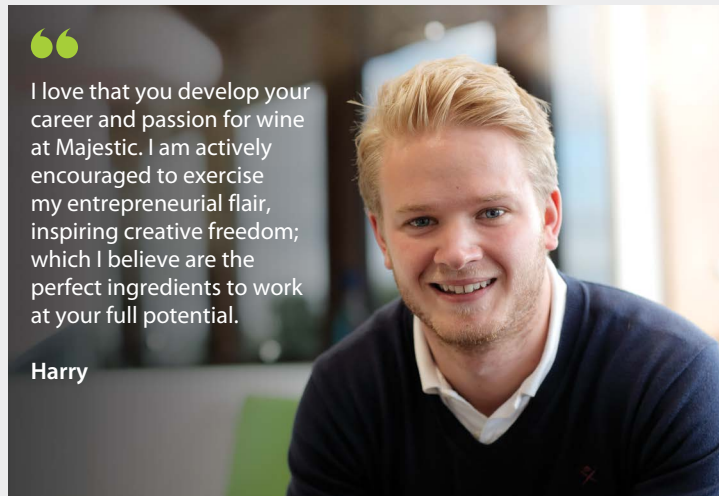
These initiatives require investment and I expect that we will initially incur £3m during the current financial year mostly falling into the first half. With this investment, I am confident that we can identify the areas for further investment necessary to restore growth momentum in Majestic, and ensure all our customers get the service and inspiration they are looking for.

At the same time we aim to maintain the growth trajectory of Majestic's Commercial business and Naked Wines, whilst realising the benefits that arise from the combination of two great businesses.

**Rowan Gormley**  
Chief Executive  
12 June 2015

# OUR PEOPLE

Our people are our most important asset; our shared culture sets us apart and will drive our future growth. We plan to restore the entrepreneurial energy across the business by creating a vibrant community where all staff can contribute and giving store managers greater autonomy to grow profit from their part of our business.



“

I love that you develop your career and passion for wine at Majestic. I am actively encouraged to exercise my entrepreneurial flair, inspiring creative freedom; which I believe are the perfect ingredients to work at your full potential.

Harry



“

Wine is my passion, so I love sharing this passion with our customers and inspiring them to try new and exciting wines.

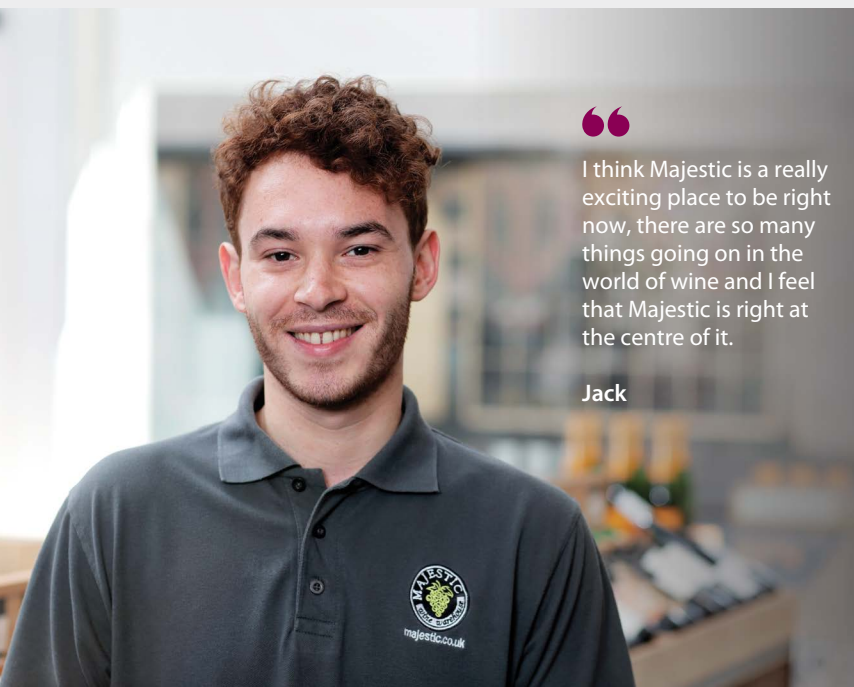
Ali



- Wine preferences
- Shopping preferences
- Trading preferences
- Likes/dislikes

Special treatment

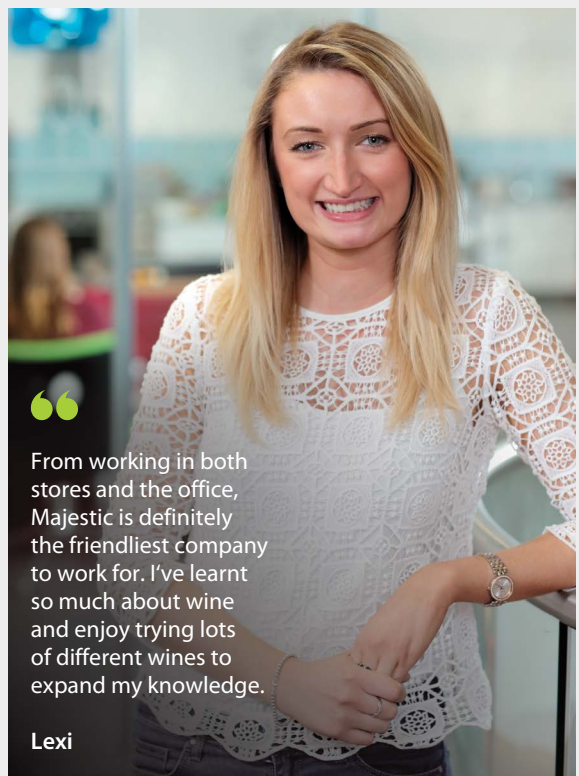
- Beer
- Fine wine
- Business
- Event customers
- Gifts



“

I think Majestic is a really exciting place to be right now, there are so many things going on in the world of wine and I feel that Majestic is right at the centre of it.

Jack



“

From working in both stores and the office, Majestic is definitely the friendliest company to work for. I've learnt so much about wine and enjoy trying lots of different wines to expand my knowledge.

Lexi

# MONITORING PERFORMANCE



**Nigel Alldritt**  
Group Chief Financial Officer  
and Company Secretary



The balance sheet has considerable strength as it is underpinned by significant cash and freehold assets.

Group profit before tax for the 52 weeks ending 30 March 2015 at £18.4m showed a decline of 22.5% on the previous year after expensing £1.8m in costs relating to the acquisition of Naked Wines International which was completed post year end. Total Group sales were up by 2.3% to £284.5m.

After adding back the acquisition costs of £1.8m and termination payments of £0.7m adjusted Group profit before tax was £20.9m compared with £23.8m reported last year.

#### **Majestic Wine**

Profit before interest and tax was £19.0m, a decline of £2.4m on the previous year. Revenues were up £10.2m to £266.0m with retail like for like sales increasing 1.9%.

We have seen a further increase in the number of active customers on our database who have made a purchase in the last year, up 35,000 to 678,000. The bottle price of still wine purchased at Majestic has risen to £8.00 up from £7.94 last year with the average spend per transaction level on last year at £129.

#### **New stores**

We have opened in ten new locations during the financial year in Leighton Buzzard, Hexham, Loughton, Addlestone, Tiverton, Taplow, Wrexham, Bedford, Devizes and Fort Kinnaird in Edinburgh. We have also closed three locations Bushey, Bracknell and Uxbridge bringing the total number of stores trading at the financial year end to 212.

In recent years we have seen strong growth from our online and business sales channels. This change in the sales mix, coupled with our intention to invest in driving customer traffic, challenges earlier assumptions on the size of our store estate. We now envisage that in order to provide coverage across the UK the total estate needs to be between 225 and 250 locations a reduction from 330 previously indicated.

#### **Commercial**

Majestic Commercial is our business to business division which focuses on the supply of wine to a wide range of corporate customers throughout the UK. The retail store network gives us real competitive advantage as in effect we have over 200 depots holding extensive stocks close to our customers and the ability to organise deliveries seven days a week. In addition, for central London we have a dedicated warehouse facility located in Kings Cross which handles distribution for larger business customers.

We have built an excellent team of sales professionals who are responsible for sourcing and building relationships with restaurants, hotels and gastro pubs. We have seen a further year of strong growth in the sales generated by the Commercial team, up 12.8% on last year to £42.1m.

#### **Ecommerce**

Sales received online showed a return to strong growth, up 12.4% on the previous year and now represent 12.1% of total UK retail sales. The number of orders processed increased 14.7% to 281,000 whilst the average transaction value online has declined by £2 or 1.8% to £133.

We have recently merged multiple data sources to create a single view of our customers, reflecting both on-line and in-store purchases. This has enabled us to implement a programme of segmented customer email communications. In order to increase leverage from this programme we have worked hard to increase the number of customers email addresses that we hold, up 45.9% to 394,000.

We recognise that the online consumer is increasingly using mobile technology to interact with retailers and we were pleased that towards the end of the financial year we launched our own mobile app, "myMajestic". The app allows customers to store their entire purchase history both online and in-store. The app has been downloaded by 19,000 customers to date and initial feedback has been very encouraging. We intend to continue to invest in enhancing functionality for the mobile app and development will be based partly on feedback from the user base.

#### **Customer Relationship Management**

We continue to work hard to earn loyalty from our customers, keeping them engaged with our brand and friendly, knowledgeable store teams, whilst inspiring them to further their knowledge and enjoyment of our exciting wines.

We provide an extensive programme of guided tasting events in store which enable us to showcase the range and demonstrate our employees' extensive product knowledge. These events are free to attend and include our very popular Wine Course and Spotlight Tastings. We saw a significant increase in the number of customers attending a tasting event at their local Majestic store to 61,000, up 8,000 on last year.

We implemented a new CRM strategy during 2014 following the appointment of a new marketing agency with a demonstrable track record of utilising data to enhance and personalise customer communications.

We aim to build a more engaging personal and relevant relationship with our customers. We are improving the consistency across both our on and off line communications and by utilising our rich customer data in a more sophisticated and targeted way. We successfully executed the first stage of this strategy by enhancing and segmenting our database to enable better targeted multichannel customer communications. We launched a new customer welcome programme in November 2014 with promising initial results.



## Strategic Report

### Operational and Financial Review



Fine Wine

## CELLAR CIRCLE

Starting a wine cellar of your own is an incredibly exciting prospect. With thousands of wines to choose from, you can build a collection perfectly suited to your own tastes.

But this plethora of options can also feel daunting. That's where Cellar Circle comes in – from Lay & Wheeler, who have spent 160 years building up relationships with the world's greatest producers.

Membership of Cellar Circle starts from £100 a month, all of which will go towards your wine collection. Members benefit from:

- 10% discount at Majestic Wine, for all your everyday needs.
- A year's free professional wine storage at our bonded warehouse, Vinothèque.
- Free case delivery to any Majestic store for ease of collection.
- A case of wine, individually chosen for you by the Cellar Circle team, on the first anniversary of your membership.



Cellar Circle gives you access to the finest wines, expert advice, unrivalled service and exciting benefits – everything needed to build your dream cellar.

**Dave Smith**  
Director, Lay & Wheeler

### Lay & Wheeler

Lay & Wheeler is our fine wine merchant and has particular expertise in en primeur sales, cellarage and broking of customer reserves. The business recorded a loss before interest and tax of £0.1m compared with profit at £1.0m in the previous financial year. The loss is after recognising a reduction of £0.5m in the balance sheet carrying value of stocks of fine wine for which market values have fallen below acquisition cost, primarily in the Bordeaux 2010 vintage.

During the year the Bordeaux 2013 campaign was very disappointing, although the quality of the vintage was good, sales were down across the industry. This further impacts ancillary trading and broking of older vintages. We increased the frequency of diversified offers and have had some success such as the launch of Penfolds Grange 2010. We have rebranded our fine wine subscription club as Cellar Circle with enhanced membership benefits and customer sign up rates have improved.

### Majestic Wine Calais

This business operates from two units located in Calais catering for UK consumers wishing to take advantage of the much lower rates of alcohol duty in France. Profit before interest and tax on a constant currency basis shows an increase of €0.1m to €1.8m after translation into pound sterling profit showed a decline of £0.1m to £1.4m.

During the Autumn of 2014 we simplified our pricing structure highlighting to customers where they can make substantial savings on the UK market price. We encourage customers to order through our well-established Click and Collect proposition and this now accounts for 44.4% of sales, up from 41.1% last year.

### Acquisition of Naked Wines International

On 10 April 2015, Majestic Wine acquired the entire issued share capital of Naked Wines International a customer funded privately held international online wine business for a total consideration of up to £70m. The initial consideration included £50 million paid at completion in cash (of which approximately £30m was utilised to repay debt facilities) and a further amount of up to £20 million in Majestic's Ordinary Shares (based on the closing share price at 2 April 2015) will be issued to management subject to the achievement of certain performance criteria over a maximum period of four years. The initial consideration represents a multiple of approximately 0.6x Naked Wines' sales for the 12 months to 31 March 2015.

### Taxation

The effective rate of corporation tax in 2015 was 26.8% (2014: 25.9%) compared with the main rate at 21.0% (2014: 23.0%). During the year Majestic incurred expenses of £1.8m relating to the acquisition of Naked Wines International which are non-deductible for tax purposes. In addition, the Group has an excess of depreciation over capital allowances as certain assets are non-qualifying.

### Earnings per share

Basic earnings per share for the year at 20.5p was 6.5p lower than in the previous year (2014: 27.0p). Diluted earnings per share for the year was 20.4p (2014: 26.6p). Adjusted basic earnings per share stated before acquisition costs and termination costs was 24.1p (2014: 27.0p). Adjusted diluted earnings per share was 23.9p (2014: 26.6p).

### Dividend

As previously announced the Board is not proposing to pay a final dividend for 2015 following the acquisition of Naked Wines International. The cash component of the acquisition consideration was financed by a new five year revolving credit facility of £85 million. The withholding of the dividend will reduce leverage and ensure the business has sufficient working capital resources with access to cash to invest where attractive returns are proven. Future dividends will be progressively re-instated by FY 2018.

### Cash flow

Group cash flows generated from operations were £32.9m compared with £23.6m in the previous year. This improvement in operating cash flows largely arise from timing differences. The year under review benefited from certain calendar month end payments worth around £4.4m falling into the 2016 financial year. Conversely the beginning of the previous financial year was adversely impacted by the timing of Easter which meant that a number of month end payments fell into the period.

Capital expenditure incurred during the year declined by £1.9m to £8.4m reflecting a reduction in the rate of the new store opening programme.

Dividends paid by the Group to shareholders increased £0.1m to £10.5m whilst the level of cash received on the exercise of share options fell to £0.1m from £1.2m in the previous year.

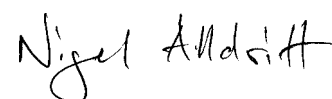
Group tax payments totaling £5.4m were made during the year a marginal reduction on the £5.5m remitted in the previous year.

The Group had net funds of £11.0m at 30 March 2015 compared with £1.8m at the end of the previous financial year.

### Financial position and liquidity

The balance sheet has considerable strength as it is underpinned by significant cash and freehold assets. The Group ended the financial year with net assets of £98.6m up from £96.0m at the previous year end. We have used this strength to partly fund the acquisition of Naked Wines International by way of bank debt. We have entered into a new five year £85m revolving credit facility replacing existing arrangements to provide the Group with ample headroom for the enlarged business' working capital requirements and sufficient liquidity to support future growth. The new facility is provided jointly by Barclays Bank and HSBC and is priced at a competitive margin above LIBOR with standard covenant tests.

Pages 1 to 25 of the Annual Report form the Strategic Report which has been approved by the Board.



### Nigel Alldritt ACMA

Group Chief Financial Officer  
and Company Secretary  
12 June 2015

Registered in England and Wales  
No. 2281640

Strategic Report  
Key Performance Indicators


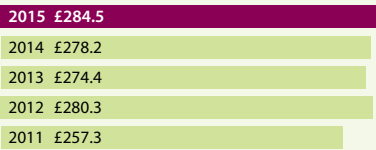



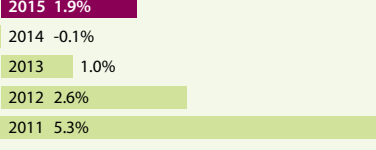



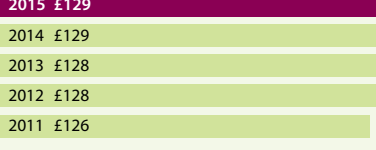

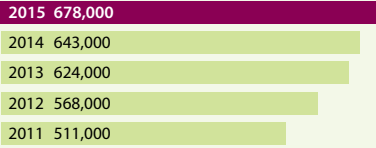
# HOW WE'VE PERFORMED

The Group monitors a number of performance indicators both financial and non-financial.

## Link to our Strategic Pillars

See page 07

-  Leveraging Store Footprint
-  Sales to Business Customers
-  Growing Penetration of Multichannel Sales
-  Engaging Customer Relationship Management

KPI	Progress	Comment										
<p><b>Total revenue</b> (£m)</p> <p><b>£284.5m</b></p> <p></p>	<p><b>Total revenue</b> (£m)</p>  <table border="1"> <tr><td>2015</td><td>£284.5</td></tr> <tr><td>2014</td><td>£278.2</td></tr> <tr><td>2013</td><td>£274.4</td></tr> <tr><td>2012</td><td>£280.3</td></tr> <tr><td>2011</td><td>£257.3</td></tr> </table>	2015	£284.5	2014	£278.2	2013	£274.4	2012	£280.3	2011	£257.3	<p>Despite the challenging backdrop of a fiercely competitive environment we continued to grow market share, by 0.1% to its highest ever level at 4.3%.</p>
2015	£284.5											
2014	£278.2											
2013	£274.4											
2012	£280.3											
2011	£257.3											
<p><b>Profit before tax</b> (£m)</p> <p><b>£18.4m</b></p> <p></p>	<p><b>Profit before tax</b> (£m)</p>  <table border="1"> <tr><td>2015</td><td>£18.4</td></tr> <tr><td>2014</td><td>£23.8</td></tr> <tr><td>2013</td><td>£23.7</td></tr> <tr><td>2012</td><td>£23.2</td></tr> <tr><td>2011</td><td>£20.3</td></tr> </table>	2015	£18.4	2014	£23.8	2013	£23.7	2012	£23.2	2011	£20.3	<p>The financial year ending 30 March 2015 proved to be challenging and profit before tax was 22.5% lower at £18.4m. This figure reflects a number of exceptional, one-off costs related to the deal to acquire Naked Wines and changes in members of the senior leadership team.</p>
2015	£18.4											
2014	£23.8											
2013	£23.7											
2012	£23.2											
2011	£20.3											
<p><b>Like for like UK retail stores sales*</b></p> <p><b>1.9%</b></p> <p></p>	<p><b>Like for like UK retail stores sales</b></p>  <table border="1"> <tr><td>2015</td><td>1.9%</td></tr> <tr><td>2014</td><td>-0.1%</td></tr> <tr><td>2013</td><td>1.0%</td></tr> <tr><td>2012</td><td>2.6%</td></tr> <tr><td>2011</td><td>5.3%</td></tr> </table>	2015	1.9%	2014	-0.1%	2013	1.0%	2012	2.6%	2011	5.3%	<p>Despite the challenging backdrop of a fiercely competitive environment we grew UK like for like sales by 1.9%.</p>
2015	1.9%											
2014	-0.1%											
2013	1.0%											
2012	2.6%											
2011	5.3%											
<p><b>Number of stores trading in the UK*</b></p> <p><b>212</b></p> <p></p>	<p><b>Number of stores trading in the UK at the year end</b></p>  <table border="1"> <tr><td>2015</td><td>212</td></tr> <tr><td>2014</td><td>205</td></tr> <tr><td>2013</td><td>193</td></tr> <tr><td>2012</td><td>178</td></tr> <tr><td>2011</td><td>163</td></tr> </table>	2015	212	2014	205	2013	193	2012	178	2011	163	<p>We have opened in ten new locations during the financial year in Leighton Buzzard, Hexham, Loughton, Addlestone, Tiverton, Taplow, Wrexham, Bedford, Devizes and Fort Kinnaird in Edinburgh.</p>
2015	212											
2014	205											
2013	193											
2012	178											
2011	163											
<p><b>Average transaction value</b> (£)*</p> <p><b>£129</b></p> <p></p>	<p><b>Average transaction value</b> (£)</p>  <table border="1"> <tr><td>2015</td><td>£129</td></tr> <tr><td>2014</td><td>£129</td></tr> <tr><td>2013</td><td>£128</td></tr> <tr><td>2012</td><td>£128</td></tr> <tr><td>2011</td><td>£126</td></tr> </table>	2015	£129	2014	£129	2013	£128	2012	£128	2011	£126	<p>Average spend per transaction maintained at £129 (2014: £129) demonstrating the consistent value that we offer customers.</p>
2015	£129											
2014	£129											
2013	£128											
2012	£128											
2011	£126											
<p><b>Number of active customers*</b></p> <p><b>678,000</b></p> <p></p>	<p><b>Number of customers who made purchases</b></p>  <table border="1"> <tr><td>2015</td><td>678,000</td></tr> <tr><td>2014</td><td>643,000</td></tr> <tr><td>2013</td><td>624,000</td></tr> <tr><td>2012</td><td>568,000</td></tr> <tr><td>2011</td><td>511,000</td></tr> </table>	2015	678,000	2014	643,000	2013	624,000	2012	568,000	2011	511,000	<p>We continue to work hard to earn loyalty from our customers, keeping them engaged with our brand and friendly, knowledgeable store teams. We saw an increase in the number of customers who made purchases during the year up 5.4% to 678,000.</p>
2015	678,000											
2014	643,000											
2013	624,000											
2012	568,000											
2011	511,000											

\*These highlights relate to transactions through the Majestic Wine retail stores including Commercial and Ecommerce

Principal Risks & Uncertainties

# RISK MANAGEMENT

The Group maintains a register which documents the risks facing the business and the actions taken to manage them.

The register is assessed on an ongoing basis but at least annually. The register is reviewed by the Audit Committee.

The executive Directors have direct responsibility for a number of key risk areas. They evaluate the likelihood and potential impact of risks and ensure appropriate action is taken to mitigate them. The key risks and mitigating factors are set out below.



**Identify** the principal risk

**Evaluate** the likelihood and potential impact of risks

**Mitigate** to lower risk exposure

**Monitor** to ensure mitigation is effective

Risk	Likelihood	Magnitude	Strategy for mitigation
<p><b>Competition</b> The Group competes with a number of retailers of varying size on areas including price, range, quality and service. Failure to compete effectively could have an adverse impact on the financial results.</p> <p>   </p>	Likely	High	Apart from regularly monitoring performance against competitors in these areas the Group mitigates its exposure by ensuring that the business is differentiated from the competition by the level of service delivered to customers, the diversity and quantity of stock at each location, provision of dedicated car parking and wine expertise.
<p><b>Staff</b> The Group recognises that it is essential to its success to attract, retain and motivate staff at all levels in the organisation.</p> <p>   </p>	Possible	Medium	The Group considers its employment policies regularly and provides a comprehensive package of salary and benefits, including bonuses and participation in the Group's share option schemes. Great emphasis is placed on training in order to help employees achieve their full potential.
<p><b>Technology</b> The business is dependent on information technology systems and a significant failure may impact the Group's ability to trade.</p> <p>  </p>	Possible	Medium	The Group has extensive controls in place to ensure the integrity and reliability of its systems. Recovery plans are in place to ensure that any disruption from a failure can be kept to a minimum and they are regularly tested.
<p><b>Regulation</b> As a drinks retailer the Group operates in a market that is regulated most notably by way of licences to sell alcohol.</p> <p>  </p>	Remote	Medium	The Group monitors compliance with licensing requirements ensuring that all relevant staff hold the appropriate qualifications. Changes in the regulatory environment could occur at any time and may have a detrimental effect on the business.
<p><b>Exchange Rates</b> The Group imports product from suppliers located abroad and is therefore exposed to risk from fluctuations in foreign currency exchange rates.</p> <p>  </p>	Possible	Low	Forward currency contracts are purchased to mitigate foreign currency exposures.
<p><b>Property Portfolio</b> The Group operates from over 200 retail units and is expanding this footprint. There is a risk that we may open in inappropriate locations, overpay for sites or overstretch by expanding too quickly.</p> <p></p>	Possible	Medium	The Group mitigates against this by undertaking a rigorous appraisal of each new location and insist on break clauses where deemed necessary. Property acquisitions or lease commitments above certain thresholds are reviewed prior to approval at Board level. The Group has determined an optimum expansion rate and this is reviewed annually.

## Governance Directors and Advisers



**Phil Wrigley**  
**Chairman**  
Aged 62

**Appointment:** Phil Wrigley was appointed to the Board in April 2010.

**Experience:** In his retail career he has worked as a director in the New Look Group, Bhs, Dorothy Perkins and Debenhams and held responsibility for all the primary roles in retail from buying and merchandising, logistics, retail operations and marketing to finance. He has led merger and acquisition activities in the UK and overseas whilst maintaining a particular focus on building strong and successful management teams. In September 2009 he founded Madison Capital LLP to invest in and support emerging companies with significant opportunities to grow and create value.

**External appointments:** He is currently Chairman of LXB Retail Properties plc, Chairman of the fashion retailer Hobbs and a non-executive Director of Carluccios. He has also held roles at Habitat, New Look, Debenhams, Arcadia and Bhs.

**Committees:** Remuneration Committee and Audit Committee.



**Rowan Gormley**  
**Chief Executive**  
Aged 53

**Appointment:** Rowan Gormley was appointed to the Board in April 2015.

**Experience:** Rowan is a serial entrepreneur who co-founded Virgin Money, The Virgin One Account, Virgin Wines and Naked Wines. South African born, Rowan qualified as a Chartered Accountant and subsequently spent 7 years in private equity with Electra Investment Management. Rowan was appointed as Majestic Plc CEO when the group acquired the Naked Wines business in April 2015.

**External appointments:** Former non-executive director at Zopa Limited.



**Nigel Alldritt**  
**Group Chief Financial Officer  
and Company Secretary**  
Aged 51

**Appointment:** Nigel Alldritt was appointed to the Board in 2002.

**Experience:** He is a Chartered Management Accountant and has been responsible for the finance and IT functions for 13 years. He assumed the position of Interim Chief Executive prior to the appointment of Rowan Gormley.



**Justin Apthorp**  
**Buying Director**  
Aged 53

**Appointment:** Justin Apthorp was appointed to the Board in January 2006.

**Experience:** In his early career Justin worked in marketing and brand development for Lyons Tetley and then Bejam. He was part of the management team that negotiated the purchase of Wizard Wine from Iceland after it bought Bejam in 1989. Since then he has been part of the buying team, firstly at Wizard Wine, and then at Majestic. He was promoted to the Board in January 2006.



**Helen Keays**  
**Non-Executive Director**  
 Aged 51

**Appointment:** Helen Keays was appointed to the Board in November 2005.

**Experience:** She is a management consultant and has previously been a Director of Chrysalis plc and The Britannia Building Society, Mattioli Woods plc and held senior roles within Vodafone Group plc and GE Capital.

**External appointments:** She is currently a non-executive Director of Domino's Pizza UK & IRL plc, Communisis plc and also trustee of The Shakespeare Birthplace Trust.

**Committees:** Chair of the Remuneration Committee, Audit Committee.



**Ian Harding**  
**Non-Executive Director**  
 Aged 50

**Appointment:** Ian Harding was appointed to the Board in June 2013.

**Experience:** He is a Fellow of the Institute of Chartered Accountants in England and Wales and prior to joining Kingfisher he spent eight years as an auditor with PWC.

**External appointments:** He is currently Group Communication Director for Kingfisher plc where he is responsible for Kingfisher's worldwide investor and media relations programmes.

**Committees:** Chair of the Audit Committee, Remuneration Committee.



**Anita Balchandani**  
**Non-Executive Director**  
 Aged 41

**Appointment:** Anita Balchandani was appointed to the Board in June 2015.

**Experience:** She holds an MSc in Management from the London School of Economics and has also held roles at Shop Direct and Asda Walmart.

**External appointments:** She is a Partner and Sector Head of the UK Retail Practice for OC&C Strategy Consultants. Anita is also a Non-Executive Director of the beauty retailer, Space NK Apothecary.

**Company Secretary**

Nigel Aldritt ACMA

**Registered Office**

Majestic House  
 The Belfry  
 Colonial Way  
 Watford  
 WD24 4WH

**Auditor**

Deloitte LLP  
 3 Victoria Square  
 Victoria Street  
 St Albans  
 Herts AL1 3TF

**Tax Advisers**

PriceWaterhouseCoopers LLP  
 10 Bricket Road  
 St Albans  
 Herts AL1 3JX

**Bankers**

Barclays Bank PLC  
 Floor 27  
 1 Churchill Place  
 London E14 5HP

**Nominated Adviser and Broker**

Investec Bank (UK) Limited  
 2 Gresham Street  
 London EC2V 7QP

**Solicitors**

Osborne Clarke  
 Apex Plaza  
 Forbury Road  
 Reading RG1 1AX

**Registrars**

Capita Asset Services  
 The Registry  
 34 Beckenham Road  
 Beckenham  
 Kent BR3 4TU

## Directors' Report

### For the year ended 30 March 2015

The Directors present their report and Group financial statements for the year ended 30 March 2015.

#### Results and review of the business

The Group Income Statement is set out on page 34.

The Directors' Report should be read in conjunction with the Chairman's Statement and Strategic Report on pages 1 to 25, which include information about the Group's business performance during the year and indication of future prospects.

Details of significant events since the balance sheet date are contained in note 29 to the financial statements. An indication of likely future developments in the business of the Company and details of research and development activities are included in the Strategic report.

#### Dividends

The Directors have decided not to declare a final dividend following the acquisition of Naked Wines International Group post year end, as disclosed in note 29. An interim dividend of 4.2p was paid on 9 January 2015.

#### Directors

The Directors who served during the year and their interests in the Ordinary Share Capital of the Company were:

	Number of Ordinary Shares	
	2015	2014
Steve Lewis (retired 19 February 2015)	125,246	125,246
Nigel Alldritt	100,000	100,000
Justin Apthorp (note 1)	545,673	545,673
Helen Keays	–	–
Phil Wrigley	–	–
Ian Harding	5,000	5,000

Notes:

1) 471,673 of the Ordinary Shares that Justin Apthorp has an interest in are held in his own name and 74,000 are held by his wife.

Phil Wrigley, Helen Keays and Ian Harding are non-executive Directors. On 10 April 2015, Rowan Gormley was appointed to the Board as a Director and a proposal to confirm his appointment will be put at the Annual General Meeting. On 10 June 2015, Anita Balchandani was appointed to the Board as a non-executive Director and a proposal to confirm her appointment will be put at the Annual General Meeting.

In accordance with the Company's Articles of Association, Phil Wrigley and Ian Harding retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting.

The Group has provided to all of its Directors limited indemnities in respect of costs of defending claims against them and third party liabilities. The Group has made qualifying third party indemnity provisions for the benefit of its Directors which were available during the period and remain in force at the date of this report.

#### Share capital

The authorised and called-up share capital of the Company, together with details of the Ordinary Shares allotted and purchased during the year are shown in note 23 of the financial statements.

#### Major shareholders

At 1 June 2015 the following interests of shareholders in excess of 3%, have been notified to the Company.

	Number of Ordinary Shares held	Ordinary Shares as % of issued share capital
Rock Nominees	8,000,000	11.33
Fidelity Management & Research	4,750,975	6.73
Rowan Gormley	4,528,881	6.41
AXA Framlington Investment Managers	4,303,222	6.09
Aviva Investors	3,463,463	4.90
Octopus Investments	2,897,342	4.10

### Corporate Governance

The Board has established a Remuneration Committee and an Audit Committee.

### Remuneration Committee

The Remuneration Committee consists of the Chairman and the other two non-executive Directors. It is chaired by Helen Keays and meets as required during the year. The Committee determines the remuneration and benefits of the executive Directors. The executive Directors have rolling one year contracts subject to one year's notice on either side. The remuneration of non-executive Directors is determined by the Board within the limits set by the Company's Articles of Association. They have letters of engagement with the Company and their appointments are terminable on three months written notice on either side.

### Annual bonus scheme

The Company operates an annual bonus scheme for the executive Directors. The performance criteria set by the Remuneration Committee for the year ended 30 March 2015 were not achieved and consequently annual bonuses have not been earned (2014: £nil).

### Share option schemes

The Group operates executive share option schemes (one of which is a HM Revenue & Customs Company Approved Share Option Scheme and one of which is unapproved for tax purposes) in which employees participate. The Group also operates a savings related share option scheme that is available to all Group employees, and conforms to HM Revenue & Customs rules. The committee determines the allocation of options for the share schemes and the awards made for the long term incentive plan and the deferred bonus scheme.

The executive Directors' participation in the Group's executive share option schemes is now limited to the long term incentive plan which replaced the co-investment plan.

### Long term incentive plan

Under the terms of the long term incentive plan the executive Directors were provided with a contingent award of nil priced options over shares with a market value of 200% of base salary. The vesting of the share option award is subject to pre-determined earnings-based performance conditions which are measured over a three year performance period:

- No vesting will occur if compounded absolute earnings per share growth is less than 10% per annum
- 25% of the award will vest for compounded absolute earnings per share growth of 10% per annum
- Full vesting will occur for compounded absolute earnings per share growth of 14%

Straight line vesting will occur between these points.

In addition, no award will vest until the Remuneration Committee has made an assessment that earnings per share growth has not been achieved to the long term detriment of the business.

The long term incentive plan complies with the Association of British Insurers discretionary executive plan limit of 5% dilution over 10 years in relation to the number of shares to be provided under the plan.

The Directors' interests in share options are as follows:

	Options at 01.04.14	Options granted/ (lapsed)	Options exercised	Options at 30.03.15	Exercise price	Weighted average market price at date of exercise	Date from which exercisable	Expiry date	Scheme name
Steve Lewis	136,208	(136,208)	-	-	nil	-	04.08.14	04.08.18	LTIP
	148,314	-	-	148,314	nil	-	30.07.15	30.07.19	LTIP
	141,948	-	-	141,948	nil	-	29.07.16	29.07.20	LTIP
Nigel Alldritt	86,265	(86,265)	-	-	nil	-	04.08.14	04.08.18	LTIP
	94,382	-	-	94,382	nil	-	30.07.15	30.07.19	LTIP
	85,168	-	-	85,168	nil	-	29.07.16	29.07.20	LTIP
Justin Apthorp	77,185	(77,185)	-	-	nil	-	04.08.14	04.08.18	LTIP
	85,393	-	-	85,393	nil	-	30.07.15	30.07.19	LTIP
	77,137	-	-	77,137	nil	-	29.07.16	29.07.20	LTIP

The market value of the Company's shares at 30 March 2015 was 302p. The highest and lowest prices during the year were 476.50p and 302p respectively.

Options held by Steve Lewis were lapsed on the 20 May 2015 upon the termination of his employment contract.

## Directors' Report

### For the year ended 30 March 2015

#### Directors' remuneration

The Directors' remuneration for the year is set out in the table below.

	Basic salary and fees £000	Benefits £000	Company pension contributions £000	Compensation for loss of office £000	<b>Total 2015 £000</b>	Total 2014 £000
Steve Lewis	364	55	73	416	<b>908</b>	482
Nigel Alldritt	232	12	47	–	<b>291</b>	269
Justin Apthorp	198	12	40	–	<b>250</b>	245
Phil Wrigley	80	–	–	–	<b>80</b>	80
Helen Keays	40	–	–	–	<b>40</b>	40
Ian Harding	40	–	–	–	<b>40</b>	33
	<b>954</b>	<b>79</b>	<b>160</b>	<b>416</b>	<b>1,609</b>	<b>1,149</b>

#### Deferred bonus scheme

The Group operates a deferred bonus scheme for senior managers, which excludes the executive Directors.

It involves the award of bonus shares to participants subject to meeting performance criteria that are set annually by the Remuneration Committee. Any bonus shares awarded in this manner are held on behalf of participants by the trustee of the Company's employee share ownership trust for a two year deferral period. At the end of that period, participants have a right to receive loyalty shares of equivalent number provided that they are still in employment.

The performance criteria set by the Remuneration Committee for the financial year ended 30 March 2015 were not met and therefore participants are not entitled to an award of bonus shares.

#### Audit Committee

The Audit Committee consists of a Chairman, Ian Harding, and the other two non-executive Directors. The other executive Directors attend by invitation. It meets a minimum of 3 times per year, twice a year with the external auditor present. Its role is to monitor the integrity of the financial statements, including the annual and interim reports, review the significant accounting policies and financial reporting judgements contained therein and provide updates and recommendations to the Board. It is also responsible for reviewing and evaluating the adequacy of internal control and risk management processes.

#### Internal controls

The Directors are responsible for the Group's internal controls, and have established a framework intended to provide reasonable, but not absolute, assurance against material financial misstatement or loss.

#### Financial reporting

The Group's trading performance is monitored on an ongoing basis. An annual budget is prepared and specific objectives and targets are set. The budget is reviewed and approved by the Board. The key trading aspects of the business are monitored weekly and internal management and financial accounts are prepared quarterly. The results are compared to budget and prior year performance.

#### Store control environment

Operating procedures for control of store operations are clearly documented and set out in operation manuals. Senior operational managers are responsible for the implementation of these procedures and compliance is monitored.

#### Responsible retailing

The Group recognises that alcohol misuse, underage drinking and poor health are issues causing real concern in the UK today. Majestic takes these matters very seriously and we are committed to the responsible retailing of alcohol in order to help mitigate their impact. We are a supporter of Drinkaware, the government sponsored trust which promotes responsible drinking. We operate a Challenge 25 scheme to ensure that minors cannot purchase alcohol at our stores. In addition, we have signed up to the Government's Responsibility Deal which aims to improve public health by encouraging responsible drinking. We ensure that customers have access to information about alcohol in-store, on our website and in our promotional literature. Staff training includes principles of social responsibility and alcohol misuse and all tasting events encourage customers to enjoy wine responsibly.

#### Financial instruments

The Group's financial risk management objectives and policies are discussed in note 28 to the financial statements.

### Key Performance Indicators

The Group monitors a number of performance indicators both financial and non-financial.

	52 weeks to 30.03.15	52 weeks to 31.03.14
Total % increase in Group turnover (%)	2.3%	1.4%
Majestic Wine Warehouses like for like retail sales increase/(decrease) (%)	1.9%	(0.1)%
Profit before tax (£m)	£18.4m	£23.8m
Profit before tax as a % of total turnover (%)	6.5%	8.5%
Number of stores trading in the UK	212	205
Number of active customers	678,000	643,000
Average transaction value (£)	£129	£129

These indicators are discussed in the Chairman's Statement, and the Strategic Report.

### Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the annual reports and the Group and Company financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, and as required by the AIM rules, the Directors have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the state of the affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- present fairly the Group and Company financial position, financial performance and cash flows;
- select suitable accounting policies in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgments that are reasonable;
- provide additional disclosures when compliance with the specific requirements in IFRSs, as adopted by the EU, is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and financial performance; and
- state whether the Group and Company financial statements have been prepared in accordance with IFRSs, as adopted by the EU, subject to any material departures disclosed and explained in the financial statements.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

### Directors' statement as to disclosure of information to auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed on pages 26 and 27. Having made enquiries of fellow Directors and of the Company's auditor each of these Directors confirms that:

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their report of which the Company's auditor is unaware; and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

### Employees

The Directors recognise the value of involving employees in the business and ensure that matters of concern to them, including the Group's aims and objectives are communicated in an open and regular manner. Employees are kept informed of the Group's performance and activities by regular briefings. Directors and senior managers visit stores frequently to brief staff and discuss matters of concern or interest. The Group's senior staff participate in the Group's share option schemes, and the deferred bonus scheme. Recruitment and training development policies give equal opportunity to all employees regardless of age, sex, colour, race, religion or ethnic origin. The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. The Group uses its best endeavours to continue to employ persons who become disabled during their employment. Training programmes are held for all levels of staff. These are aimed at increasing skills and contribution with particular emphasis placed on product knowledge and customer service skills.

## Directors' Report

### For the year ended 30 March 2015

#### Payment of suppliers

The Group does not follow any formal code of practice for payment of its suppliers. The Group's current policy concerning the payment of the majority of its trade and other payables is to:

- (a) agree the terms of payment with suppliers when agreeing the terms of business;
- (b) ensure that those suppliers are made aware of the terms of payment by inclusion of the relevant terms on purchase orders; and
- (c) pay in accordance with the terms agreed.

The average credit period taken during the year by the Group was 77 days (2014: 73 days). The Company has no trade payables.

#### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Financial Review. The financial position of the Group, its cash flows, liquidity position, and borrowing facilities are also described in that review. In addition note 28 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives, details of its financial instruments and hedging activities, and its exposure to credit and liquidity risk. The Board are currently of the opinion that the Group's forecasts and projections, which take account of the post year end acquisition of Naked Wines International Limited, and of reasonably possible changes in trading performance, show that the Group is able to meet its banking covenants and to operate within the current committed borrowing facilities described in note 29. The Board is satisfied that the Group has adequate financial resources to continue to operate for the foreseeable future and is financially sound. For this reason, the going concern basis is considered appropriate for the preparation of financial statements.

#### Auditor

A resolution to reappoint Deloitte LLP as auditor of the Company will be put to the Annual General Meeting. The Directors will also be given the authority to fix the auditor's remuneration.

By Order of the Board

#### Nigel Alldritt ACMA

Group Chief Financial Officer  
and Company Secretary

Majestic House  
The Belfry  
Colonial Way  
Watford  
WD24 4WH

12 June 2015

Registered in England and Wales  
No. 2281640

## Audit Report

### For the year ended 30 March 2015

#### Independent Auditor's Report to the Members of Majestic Wine PLC

We have audited the financial statements of Majestic Wine PLC for the 52 weeks ended 30 March 2015 which comprise the Group Income Statement, the Group Statement of Comprehensive Income, the Group and Company Statement of Changes in Equity, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements and the related notes 1 to 30. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

#### Respective responsibilities of directors and auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and parent Company's affairs as at 30 March 2015 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and, as regards the Group financial statements, Article 4 of the IAS Regulation.

#### Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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

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

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

**David Halstead** (Senior statutory auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
St Albans

12 June 2015

## Group Income Statement

### For the year ended 30 March 2015

	Note	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
<b>Revenue</b>	5	<b>284,495</b>	278,157
Cost of sales		<b>(219,947)</b>	(214,119)
<b>Gross profit</b>		<b>64,548</b>	64,038
Distribution costs		<b>(28,337)</b>	(26,814)
Administrative costs		<b>(18,506)</b>	(14,088)
Other operating income		<b>836</b>	751
<b>Profit before finance costs and taxation</b>	6	<b>18,541</b>	23,887
Finance costs	8	<b>(119)</b>	(127)
<b>Profit before taxation</b>		<b>18,422</b>	23,760
Analysed as:			
<b>Adjusted profit before tax</b>		<b>20,884</b>	23,760
Exceptional items:			
Termination payments		<b>(695)</b>	–
Acquisition costs		<b>(1,767)</b>	–
		<b>18,422</b>	23,760
UK income tax	9	<b>(4,477)</b>	(5,673)
Overseas income tax	9	<b>(466)</b>	(485)
<b>Profit for the year</b>		<b>13,479</b>	17,602
<b>Earnings per share</b>			
Basic	10	<b>20.5p</b>	27.0p
Diluted	10	<b>20.4p</b>	26.6p
<b>Total dividend per share for the year</b>	11	<b>4.2p</b>	16.0p

The results are all derived from continuing operations. The profit for the period and the prior period is wholly attributable to the equity holders of the parent Company, Majestic Wine PLC.

## Group Statement of Comprehensive Income

### For the year ended 30 March 2015

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Profit for the year	13,479	17,602
<b>Other comprehensive income:</b>		
Exchange difference on translation of foreign operations which may be reclassified to income statement	(583)	(120)
Other comprehensive income for the year, net of tax	(583)	(120)
Total comprehensive income for the year	12,896	17,482

The total comprehensive income for the period and the prior period is wholly attributable to the equity holders of the parent Company, Majestic Wine PLC.

## Group and Company Statement of Changes in Equity

### For the year ended 30 March 2015

Note	Share capital £000	Share premium account £000	Capital reserve own shares held in ESOT £000	Capital redemption reserve £000	Currency translation reserve £000	Retained earnings £000	Total shareholders' funds £000
<b>Group</b>							
At 1 April 2013	4,886	18,743	(517)	363	2,208	62,129	87,812
Profit for the year	-	-	-	-	-	17,602	17,602
Other comprehensive income:							
Foreign exchange differences	-	-	-	-	(120)	-	(120)
Total comprehensive income for the year	-	-	-	-	(120)	17,602	17,482
Share issue	23	1,164	-	-	-	-	1,200
Shares vesting under deferred bonus scheme	-	-	287	-	-	(287)	-
Transfer to shareholders' funds – employee costs expected to be satisfied in shares	25	-	-	-	-	52	52
Tax debit on employee share options	-	-	-	-	-	(85)	(85)
Equity dividends paid	11	-	-	-	-	(10,431)	(10,431)
At 31 March 2014	4,922	19,907	(230)	363	2,088	68,980	96,030
Profit for the year	-	-	-	-	-	13,479	13,479
Other comprehensive income:							
Foreign exchange differences	-	-	-	-	(583)	-	(583)
Total comprehensive income for the year	-	-	-	-	(583)	13,479	12,896
Share issue	23	63	-	-	-	-	65
Shares vesting under deferred bonus scheme	-	-	213	-	-	(213)	-
Transfer to shareholders' funds – employee costs expected to be satisfied in shares	25	-	-	-	-	131	131
Tax debit on employee share options	-	-	-	-	-	(55)	(55)
Equity dividends paid	11	-	-	-	-	(10,501)	(10,501)
<b>At 30 March 2015</b>	<b>4,924</b>	<b>19,970</b>	<b>(17)</b>	<b>363</b>	<b>1,505</b>	<b>71,821</b>	<b>98,566</b>
<b>Company</b>							
At 1 April 2013	4,886	18,743	-	363	-	12,847	36,839
Profit for the year	-	-	-	-	-	10,822	10,822
Total comprehensive income for the year	-	-	-	-	-	10,822	10,822
Share options granted to subsidiary employees	-	-	-	-	-	(13)	(13)
Share issue	36	1,164	-	-	-	-	1,200
ESOT share issue	-	-	-	-	-	-	-
Equity dividends paid	-	-	-	-	-	(10,431)	(10,431)
At 31 March 2014	4,922	19,907	-	363	-	13,225	38,417
Profit for the year	-	-	-	-	-	9,159	9,159
Total comprehensive income for the year	-	-	-	-	-	9,159	9,159
Share options granted to subsidiary employees	25	-	-	-	-	131	131
Share issue	23	63	-	-	-	-	65
Equity dividends paid	11	-	-	-	-	(10,501)	(10,501)
<b>At 30 March 2015</b>	<b>4,924</b>	<b>19,970</b>	<b>-</b>	<b>363</b>	<b>-</b>	<b>12,014</b>	<b>37,271</b>

## Group and Company Balance Sheets

### As at 30 March 2015

	Note	Group 30.03.15 £000	Group 31.03.14 £000	Company 30.03.15 £000	Company 31.03.14 £000
<b>Non current assets</b>					
Goodwill and intangible assets	12	9,002	9,106	-	-
Property, plant and equipment	13	72,632	71,682	-	-
En primeur purchases	14	526	1,487	-	-
Prepaid operating lease costs	15	2,182	2,145	-	-
Deferred tax assets	9	581	645	-	-
Investments in subsidiaries	16	-	-	11,876	11,745
		<b>84,923</b>	85,065	<b>11,876</b>	11,745
<b>Current assets</b>					
Inventories	17	54,237	54,761	-	-
Trade and other receivables	18	8,723	7,945	29,151	28,672
En primeur purchases	14	1,792	1,883	-	-
Financial instruments at fair value	28	41	-	-	-
Cash and cash equivalents	27	10,967	5,587	-	-
		<b>75,760</b>	70,176	<b>29,151</b>	28,672
<b>Total assets</b>		<b>160,683</b>	155,241	<b>41,027</b>	40,417
<b>Current liabilities:</b>					
Trade and other payables	19	(52,731)	(44,510)	(1,756)	-
En primeur deferred income		(2,320)	(2,448)	-	-
Bank overdraft	20	-	(3,808)	-	-
Provisions	21	(190)	(397)	-	-
Deferred lease inducements	22	(425)	(414)	-	-
Financial instruments at fair value	28	(552)	(161)	-	-
Current tax liabilities		(1,985)	(2,412)	-	-
		<b>(58,203)</b>	(54,150)	<b>(1,756)</b>	-
<b>Non current liabilities</b>					
Amounts due to Group undertakings	19	-	-	(2,000)	(2,000)
En primeur deferred income	14	(610)	(1,676)	-	-
Provisions	21	-	(39)	-	-
Deferred lease inducements	22	(2,588)	(2,573)	-	-
Deferred tax liabilities	9	(716)	(773)	-	-
<b>Total liabilities</b>		<b>(62,117)</b>	(59,211)	<b>(3,756)</b>	(2,000)
<b>Net assets</b>		<b>98,566</b>	96,030	<b>37,271</b>	38,417
<b>Shareholders' equity</b>					
Called up share capital	23	4,924	4,922	4,924	4,922
Share premium account	23	19,970	19,907	19,970	19,907
Capital reserve – own shares	23	(17)	(230)	-	-
Capital redemption reserve	23	363	363	363	363
Currency translation reserve	23	1,505	2,088	-	-
Retained earnings		71,821	68,980	12,014	13,225
<b>Equity shareholders' funds</b>		<b>98,566</b>	96,030	<b>37,271</b>	38,417

The financial statements were approved by the Board on 12 June 2015 and signed on its behalf by:

**Phil Wrigley**  
Chairman

## Group and Company Cash Flow Statements

### For the year ended 30 March 2015

	Note	Group 52 weeks to 30.03.15 £000	Group 52 weeks to 31.03.14 £000	Company 52 weeks to 30.03.15 £000	Company 52 weeks to 31.03.14 £000
<b>Cash flows from operating activities</b>					
Cash generated/(utilised) by operations	27a	32,913	23,649	(490)	(1,591)
UK income tax paid		(5,024)	(4,891)	-	-
Overseas income tax paid		(394)	(604)	-	-
<b>Net cash generated/(utilised) by operating activities</b>		<b>27,495</b>	<b>18,154</b>	<b>(490)</b>	<b>(1,591)</b>
<b>Cash flows from investing activities</b>					
Interest received		28	30	-	-
Dividends received		-	-	10,926	10,822
Purchase of non current assets		(8,431)	(10,267)	-	-
Receipts from sales of non current assets		922	440	-	-
<b>Net cash (utilised)/generated by investing activities</b>		<b>(7,481)</b>	<b>(9,797)</b>	<b>10,926</b>	<b>10,822</b>
<b>Cash inflow before financing</b>		<b>20,014</b>	<b>8,357</b>	<b>10,436</b>	<b>9,231</b>
<b>Cash flows from financing activities</b>					
Interest paid		(143)	(183)	-	-
Issue of Ordinary Share Capital		65	1,200	65	1,200
Equity dividends paid		(10,501)	(10,431)	(10,501)	(10,431)
<b>Net cash used by financing activities</b>		<b>(10,579)</b>	<b>(9,414)</b>	<b>(10,436)</b>	<b>(9,231)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9,435</b>	<b>(1,057)</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents at beginning of year		1,779	2,888	-	-
Effect of foreign exchange differences		(247)	(52)	-	-
<b>Cash and cash equivalents at end of year</b>	27b	<b>10,967</b>	<b>1,779</b>	<b>-</b>	<b>-</b>

## Notes to the Financial Statements

### 1. General information

Majestic Wine PLC is a public limited company ("Company") incorporated in the United Kingdom under the Companies Act 2006 (registration number 2281640). The Company is domiciled in the United Kingdom and its registered address is Majestic House, The Belfry, Colonial Way, Watford, WD24 4WH. The Company's Ordinary Shares are traded on the Alternative Investment Market ("AIM").

The Group's principal activity is the retailing of wines, beers and spirits. The Company's principal activity is to act as a holding company for its subsidiaries.

### 2. Authorisation of financial statements and statement of compliance with IFRS

The Group's and Company's financial statements for the year ended 30 March 2015 were authorised for issue by the Board of Directors on 12 June 2015 and the balance sheets were signed on the Board's behalf by Phil Wrigley.

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations as endorsed by the European Union, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The Company's financial statements have been prepared on the same basis. As permitted by Section 408 of the Companies Act 2006 the Company has elected not to present its own income statement for the year. The profit dealt with in the financial statements of the Company is £9,159,000 (2014: £10,822,000). The Company has not made any other comprehensive income and consequently has not presented a statement of comprehensive income for the year.

### 3. Basis of preparation

The financial year represents the 52 weeks to 30 March 2015 and the prior financial year, 52 weeks to 31 March 2014. The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£000) except when otherwise indicated.

The financial statements are presented in pounds sterling as that is the currency of the primary economic environment in which the Group operates. Foreign operations are included in accordance with the policies set out in note 4.

The accounting policies set out in note 4 have been applied consistently to all periods presented in these financial statements. The Group has adopted the following new and amended standards and interpretations which came into effect for accounting periods commencing on or after 1 April 2014. Insofar as they are relevant to the Group's operations, adoption of these revised standards and interpretations did not have any material effect on the financial statements of the Group:

- IAS 27 (amended 2011) Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures
- Annual Improvements to IFRSs

The financial statements have been prepared on a historical cost basis except for financial instruments which are measured at fair values as the end of each reporting period, as explained in the accounting policies below.

#### Going Concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is contained in the Directors' report on page 32.

### 4. Accounting policies

#### Basis of consolidation

The full year consolidated financial statements incorporate the results and net assets of the Company and its subsidiary undertakings drawn up to the nearest Monday to 31 March each year.

Subsidiaries are entities controlled by the Group. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its return.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intercompany transactions and balances between Group entities are eliminated upon consolidation.

#### Company investment in subsidiaries

In its separate financial statements the Company recognises its investments in subsidiaries at cost less any provision for impairment.

## Notes to the Financial Statements

### 4. Accounting policies continued

#### Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Revenue consists of:

- sales through retail outlets in the UK and France and trade sales through both head office and our dedicated depot in King's Cross measured at the fair value of consideration, net of returns, rebates and value-added taxes and recognised when the significant risks and rewards of ownership have been transferred to the buyer;
- receipts from customers for sales of en primeur wines which are recognised when the wines are available to customers, which may be up to two years later;
- finance revenue is interest receivable from bank deposits, interest receivable from lessees under the terms of their leases and interest receivable from HM Revenue & Customs on corporation tax paid on account and is recognised on an effective interest rate basis;
- other operating income comprises rental income receivable from sub-let premises and is recognised on a straight line basis over the lease; and
- dividends receivable by the Company are from subsidiary undertakings and are recognised when the Company has the right to receive them.

#### Cost of sales

Cost of sales consists of the cost of the product, including excise duties. It also includes credit card processing charges and the costs of staffing the retail stores.

Supplier incentives, rebates and discounts are recognised within cost of sales as they are earned. The accrued value at the reporting date is included in prepayments and accrued income.

#### Finance costs

##### Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the Group becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost.

#### Intangible assets

##### Licences and computer software

Licences and computer software are carried at cost less accumulated amortisation and any impairment loss. Externally acquired computer software and software licences are capitalised at the costs incurred to acquire and bring in to use the specific software. These assets are considered to have finite useful lives and are amortised on a straight line basis over the estimated useful life of each of the assets. This is considered to be between three and five years for computer software and for licences it is the term of the relevant licence.

The carrying value of intangible assets is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

#### Goodwill

Goodwill arising on consolidation represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired subsidiary at the date of acquisition. Goodwill is recognised as an asset on the Group's balance sheet in the year in which it arises. Goodwill is not amortised and is tested for impairment at least annually and more frequently if events or changes indicate that the carrying value may be impaired and is carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill is allocated to the cash generating units on which it arose. Any impairment is recognised immediately in the consolidated income statement and is not subsequently reversed.

Goodwill arising on acquisitions after 31 December 1997 and before 28 March 2005 (the date of transition to IFRS) has been retained at the previous UK GAAP amounts subject to being tested for impairment at that date. Goodwill arising on the acquisition of subsidiaries prior to 31 December 1997 was written off immediately against reserves. This has not been reinstated and is not included in determining any subsequent profit or loss on disposal.

#### Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment in value. Cost comprises the aggregate amount paid to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is calculated to write down the cost of the assets to their residual values, on a straight-line method on the following bases:

- Freehold buildings and leasehold properties – 50 years, or the lease term if shorter
- Equipment, fittings and vehicles – at rates varying from 10% to 33%
- Freehold land is not depreciated

Land and buildings under construction and non current assets held for sale are not depreciated.

The assets' residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate on an annual basis. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year that the asset is derecognised.

## Notes to the Financial Statements

### 4. Accounting policies continued

#### Impairment of tangible and intangible assets excluding goodwill

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified. Cash generating units are generally considered to be individual stores.

An intangible asset with an indefinite useful life is tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal 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 in the income statement in the year in which it occurs.

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) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined on a first in, first out basis and includes carriage and duty costs. Net realisable value is based on estimated selling price less any further costs expected to be incurred in marketing, selling and distribution.

#### Trade and other receivables

Trade receivables, which are generally received on end of month following terms, are recognised and carried at the lower of their original invoiced value and recoverable amount. Provision is made when it is likely that the balance will not be recovered in full. Balances are written off when the probability of recovery is considered remote.

#### Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as components of cash and cash equivalents for the purposes of the cash flow statement.

#### Foreign currencies

##### Foreign operations

The consolidated financial statements are presented in sterling which is the Company's functional and presentational currency. Each entity in the Group determines its own functional currency and items in the financial statements of each entity are measured using that functional currency. The income and expenses of overseas subsidiaries are translated at the average rate of exchange ruling during the year. The balance sheet of the overseas subsidiary undertaking is translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences arising, if any, are included within equity and transferred to the Group's currency translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed.

##### Foreign currency transactions

Transactions denominated in foreign currencies are translated at the exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement for the period.

#### Provisions

Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefit will be required to settle the obligation, and where the amount of the obligation can be reliably measured. Provisions are discounted where the effect is material.

#### Financial assets

Non-derivative financial assets are classified as either 'available for sale' financial assets or 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

#### Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

## Notes to the Financial Statements

### 4. Accounting policies continued

#### Leased assets

##### Group as lessee

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets leased under operating leases are not recorded on the balance sheet. Rental payments are charged directly to the income statement. Lease incentives, primarily up-front cash payments or rent-free periods, are capitalised and spread over the period of the lease term. Payments made to acquire operating leases are treated as prepaid lease expenses and amortised over the life of the lease.

##### Group as lessor

Assets leased out under operating leases are included in property, plant and equipment and depreciated over their useful lives. Rental income, including the effect of lease incentives, is recognised on a straight line basis over the lease term.

#### Pensions

The Group contributes to the personal pension plans of certain staff. The contributions are charged as an expense as they fall due. Any contributions unpaid at the balance sheet date are included as an accrual at that date. The Group has no further payment obligations once the contributions have been paid.

#### Share based payments

The Group and Company provide benefits to employees (including Directors) in the form of share based payment transactions, whereby employees render services in exchange for rights over shares ('equity-settled transactions'). The cost of the equity-settled transactions with employees and Directors is measured by reference to the fair value at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date at which the relevant employees become fully entitled to the award. Fair value of employee share option plans is calculated using the Black-Scholes model. In valuing equity-settled transactions, no account is taken of any service and performance (vesting) conditions, other than performance conditions linked to the price of the shares of the Company (market performance conditions). Any other conditions which are required to be met in order for an employee to become fully entitled to an award are considered to be non-vesting conditions. Like market performance conditions, non-vesting conditions are taken into account in determining the fair value at date of grant.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and the Directors' best estimate of the number of equity instruments that will ultimately vest on achievement or otherwise of non-market conditions or in the case of an instrument subject to a market condition, be treated as vested as described above. The movement in the cumulative expense since the previous balance sheet date is recognised in the income statement, with the corresponding increase or decrease in equity. The Company records an increase in its investments in subsidiaries with a credit to equity equivalent to the IFRS 2 cost in the subsidiary undertakings.

The Group and Company has taken advantage of the transitional provisions of IFRS 2 in respect of equity-settled awards so as to apply IFRS 2 only to those equity-settled awards granted after 7 November 2002 that had not vested before 28 March 2005.

#### Income taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised using the balance sheet liability method, providing for temporary differences between the tax bases and the accounting bases of assets and liabilities. Deferred income tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred income tax liabilities are recognised for all temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred income tax assets and liabilities are offset against each other only when the Group has a legally enforceable right to do so and the Company intends to settle them on a net basis.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised.

#### Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign currency fluctuations arising from operational activities. These instruments are primarily foreign exchange forward contracts. The Group does not hold or issue derivative financial instruments for speculative purposes. However if derivatives do not qualify for hedge accounting they are accounted for as such.

All derivative financial instruments are initially measured at fair value on the contract date and are also measured at fair value at subsequent reporting dates. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles. For derivative financial instruments not designated as a hedge, any change in fair value is immediately recognised in the income statement.

There were no derivatives accounted for using hedge accounting during the year.

## Notes to the Financial Statements

### 4. Accounting policies continued

#### Own shares

Majestic Wine PLC shares held by the Group are classified in shareholders' equity as 'Capital Reserve-Own Shares' and are recognised at cost. No gain or loss is recognised in the income statement on the purchase or sale of such shares.

#### Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in this note, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

#### (a) Critical accounting judgements

In the process of applying the Group's accounting policies the Directors consider there to be no critical accounting judgements that have a significant effect on the amounts recognised in the financial statements.

#### (b) Key sources of estimation and uncertainty

The key assumptions concerning the future, and other key sources of estimation and uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

#### Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of goodwill at the balance sheet date was £4,906,000 with no impairment loss being recognised during 2015. Goodwill is initially measured as an asset at cost and is subsequently measured at cost less any accumulated losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the Income Statement and is not subsequently reversed.

#### Store impairments

Determining whether stores are impaired requires an estimation of the value in use of the cash generating unit. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. All stores are reviewed for impairment at least annually. Any impairment is recognised immediately in the Income Statement. 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) in prior years. A reversal of an impairment loss is recognised immediately in the income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### New standards and interpretations not applied

The following standards, interpretations and amendments have been issued by the IASB and IFRIC (but have not yet been adopted by the EU), none of which are anticipated to significantly impact the Group's results or assets and liabilities and are not expected to require significant disclosure. They become effective after the current year (subject to having been endorsed for use in the EU via the EU endorsement mechanism) and have not been early adopted by the Group and Company:

International Financial Reporting Standards (IFRS)	Effective date	To be adopted by the Group and Company during years commencing
IFRS 9	Financial Instruments*	03.04.2018
IFRS 10 and IAS 28:	Sale or Contribution of Assets Between an Investor and its Associate/Joint venture (Amendments)*	29.03.2016
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations (Amendments)*	29.03.2016
IFRS 14	Regulatory Deferral Accounts*	29.03.2016
IFRS 15	Revenue from Contracts with Customers*	28.03.2017
IAS 16 and IAS 38:	Clarification of Acceptable Methods of Depreciation and Amortisation*	29.03.2016
IAS 16 and IAS 41:	Bringing Bearer Plants into Scope*	29.03.2016
IAS 19	Defined Benefit Plans: Employee Contributions (Amendments)*	31.03.2015
IAS 27	Reinstate Equity Method as Accounting Option (Amendments)*	29.03.2016
Improvements to IFRSs 2010 – 2012 cycle*		31.03.2015
Improvements to IFRSs 2011 – 2013 cycle*		31.03.2015
Improvements to IFRSs 2012 – 2014 cycle*		29.03.2016

\* not yet endorsed by the EU

## Notes to the Financial Statements

**5. Segment reporting**

For management purposes, the Group is organised into three distinct business units each operating in a separate segment of the overall wine market. Majestic Wine Warehouses is a UK based wine retailer, Lay & Wheeler is a specialist in the fine wine market and Majestic Wine Calais operates retail units in northern France servicing the UK cross-channel market.

No operating segments have been aggregated to form the above reportable segments. Management monitors the operating results of the business separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated on both sales growth and profit before interest.

In the information provided to the chief operating decision maker, the underlying performance of the Lay & Wheeler operating segment is evaluated and measured based on revenue and profit being recognised on orders, cash receipts and payments from en primeur campaigns. Management reviews the business on this alternative basis as resources in generating these sales are expensed as incurred. This differs from the revenue recognition policy required under IAS 18 where revenue is recognised on delivery which may be up to two years later. As a result a reconciling item is presented between the total operating segments revenue and results and the IFRS statutory measure.

Acquisition costs, financing (including finance costs and finance revenue) and income taxes are managed on a group basis and are not allocated to operating segments. Inter-segment transactions are conducted on an arm's length basis in a manner similar to transactions with third parties.

The following tables present revenue and profit and certain asset and liability information regarding the Group's operating segments for the years ended 30 March 2015 and 31 March 2014. All activities are continuing.

	Majestic Wine Warehouses £000	Lay & Wheeler £000	Majestic Wine Calais £000	Unallocated £000	Eliminated £000	Group £000
<b>Segment analysis 2015</b>						
Third party revenue	265,956	9,694	7,650	–	–	283,300
Inter-segment revenue	–	894	–	–	(894)	–
Segment revenue	265,956	10,588	7,650	–	(894)	283,300
Movement in en primeur sales deferred to future periods	–	1,195	–	–	–	1,195
Reported third party revenue	265,956	11,783	7,650	–	(894)	284,495
Segment result	18,977	(209)	1,398	(1,767)	–	18,399
Movement on en primeur profit deferred to future periods	–	142	–	–	–	142
Reported operating result	18,977	(67)	1,398	(1,767)	–	18,541
Finance costs	–	–	–	(119)	–	(119)
Profit/(loss) before tax	18,977	(67)	1,398	(1,886)	–	18,422
Income tax expense	–	–	–	(4,943)	–	(4,943)
Profit/(loss) for the year	18,977	(67)	1,398	(6,829)	–	13,479
Segment assets	139,998	16,844	5,694	767	(2,620)	160,683
Segment liabilities	(79,693)	(7,817)	(1,710)	(4,457)	31,560	(62,117)
Other segment items:						
Purchase of non current assets	8,266	137	28	–	–	8,431
Depreciation, amortisation and impairment	5,791	359	14	–	–	6,164
Share based payments	125	6	–	–	–	131

## Notes to the Financial Statements

## 5. Segment reporting continued

Segment analysis 2014	Majestic Wine Warehouses £000	Lay & Wheeler £000	Majestic Wine Calais £000	Unallocated £000	Eliminated £000	Group £000
Third party revenue	255,732	12,938	8,168	–	–	276,838
Inter-segment revenue	–	418	–	–	(418)	–
Segment revenue	255,732	13,356	8,168	–	(418)	276,838
Movement in en primeur sales deferred to future periods	–	1,319	–	–	–	1,319
Reported third party revenue	255,732	14,675	8,168	–	(418)	278,157
Segment result	21,430	735	1,456	–	–	23,621
Movement on en primeur profit deferred to future periods	–	266	–	–	–	266
Reported operating result	21,430	1,001	1,456	–	–	23,887
Finance costs	–	–	–	(127)	–	(127)
Profit/(loss) before tax	21,430	1,001	1,456	(127)	–	23,760
Income tax expense	–	–	–	(6,158)	–	(6,158)
Profit/(loss) for the year	21,430	1,001	1,456	(6,285)	–	17,602
Segment assets	133,200	17,834	6,010	645	(2,448)	155,241
Segment liabilities	(77,104)	(8,466)	(1,510)	(3,185)	31,054	(59,211)
Other segment items:						
Purchase of non current assets	10,186	75	6	–	–	10,267
Depreciation, amortisation and impairment	5,142	374	14	–	–	5,530
Share based payments	47	5	–	–	–	52

The segment assets and liabilities that are not allocated represent deferred and current tax balances. The segment assets and liabilities that are eliminated represent parent and subsidiary intercompany receivables and payables.

## 6. Profit before finance costs and taxation

## a) Additional information

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
<b>Profit before finance costs and taxation is stated after charging/(crediting) the following items:</b>		
Depreciation and amortisation of operating lease costs	5,132	4,668
Amortisation	844	734
Impairment of property	316	128
Exceptional items (see note 6b)	2,462	–
Operating lease rentals – land and buildings	9,792	9,180
– other leases	990	991
– sublease payments received	(396)	(313)
– lease payments received	(439)	(438)
(Profit)/loss on sale of plant and equipment	(2)	37
Bad debt expense	119	69
Net foreign currency exchange gain	(12)	(7)
<b>Auditor's remuneration:</b>		
Fees payable to the Company's auditor and their associates for the audit of the Company's annual accounts	17	10
Fees payable to the Company's auditor and their associates for the audit of the Company's subsidiaries	88	94
<b>Total audit fees</b>	<b>105</b>	<b>104</b>
Audit-related assurance services	4	–
Other taxation advisory services	5	–
Corporate finance services	517	–
<b>Total non-audit fees</b>	<b>526</b>	<b>–</b>
<b>Total fees payable to Company's auditor</b>	<b>631</b>	<b>104</b>

No audit fee has been charged in Majestic Wine PLC. The charge has been borne by its subsidiary undertaking and not recharged.

## Notes to the Financial Statements

## 6. Profit before finance costs and taxation continued

## b) Exceptional items

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Termination payments	695	–
Acquisition costs	1,767	–
Total exceptional items	2,462	–

Termination payments are the amounts paid to senior officials upon termination of their contracts.

Acquisition costs relate to legal, third party due diligence and other third party costs incurred as a result of the Group's acquisitions.

## 7. Employee information

The average monthly number of employees (including Directors) during the year was as follows:

	2015	2014
Head office, including distribution	185	166
Store staff, including commercial sales team	902	883
	1,087	1,049

Staff costs for the above employees during the year amounted to:

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Wages and salaries	29,033	26,439
Social security costs	2,766	2,533
Pension costs	639	530
Share based payments expense (note 25)	131	52
	32,569	29,554

## Directors' emoluments

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Salary and benefits	1,033	1,011
Compensation for loss of office	416	–
Bonus earned in the current year	–	–
Aggregate emoluments	1,449	1,011
Gain made on exercise of share options	–	604
Company pension contributions to money purchase schemes for three Directors (2014: 3)	160	153
	1,609	1,768

## Highest paid Director

Salary and benefits	419	411
Compensation for loss of office	416	–
Bonus earned in the current year	–	–
Aggregate emoluments	835	411
Gain made on exercise of share options	–	249
Company pension contributions to money purchase scheme	73	71
	908	731

At the year end £416,000 for Compensation for loss of office was still due to be paid to the Director. Included in this amount are pension contributions totaling £40,000.

Detailed disclosure of Directors' remuneration is set out in the Directors' Report on page 30.

## Notes to the Financial Statements

## 8. Finance revenue and costs

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Interest on bank overdrafts	147	157
Finance cost	147	157
Bank interest receivable	(28)	(30)
Net finance cost	119	127

## 9. Taxation

## a) Taxation charge

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
<b>Current income tax expense:</b>		
UK income tax	4,523	5,497
Overseas income tax on subsidiary undertaking	466	485
Adjustment in respect of the previous year	9	18
Total current income tax expense	4,998	6,000
<b>UK deferred tax expense:</b>		
Origination and reversal of temporary differences	30	242
Adjustment in respect of prior years	(85)	(50)
Change in tax rate on prior year balances	–	(34)
Total deferred tax (credit)/debit	(55)	158
Total income tax expense charged in the income statement	4,943	6,158

## b) Taxation reconciliation

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Profit before tax	18,422	23,760
Taxation at the standard UK corporation tax rate of 21% (2014: 23%)	3,869	5,465
Adjustments in respect of prior years	(76)	(32)
Overseas income tax at higher rates	168	149
Non-deductible expenses	992	620
Income not taxable	(10)	(10)
Change in tax rate on prior year balances	–	(34)
Total income tax expense charged in the income statement	4,943	6,158
Effective tax rate	26.8%	25.9%

## c) Tax on items debited to equity

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Current tax credit on share based payments	(7)	(185)
Deferred tax debit on share based payments	62	270
Total tax on items debited to equity	55	85

## Notes to the Financial Statements

## 9. Taxation continued

## d) Deferred tax

	Accelerated tax depreciation £000	Short-term temporary differences £000	Share- based payments £000	Total deferred tax assets £000	Deferred tax liabilities £000	Total £000
At 1 April 2013	152	264	234	650	(350)	300
Credited/(debited) to the income statement	82	(252)	(34)	(204)	46	(158)
Debited to equity	-	(196)	(74)	(270)	-	(270)
At 31 March 2014	234	(184)	126	176	(304)	(128)
Credited/(debited) to the income statement	124	(48)	(21)	55	-	55
Debited to equity	-	-	(62)	(62)	-	(62)
<b>At 30 March 2015</b>	<b>358</b>	<b>(232)</b>	<b>43</b>	<b>169</b>	<b>(304)</b>	<b>(135)</b>

The deferred tax liabilities above relate solely to held-over capital gains arising on the disposal of freehold properties. The deferred tax asset and liabilities are net of £599,000 which arose on the acquisition of Lay & Wheeler.

## Disclosed in the Group Balance Sheet:

	<b>30.03.15</b>	31.03.14
	<b>£000</b>	£000
Deferred tax assets	<b>581</b>	645
Deferred tax liabilities	<b>(716)</b>	(773)
	<b>(135)</b>	(128)

## e) Factors that may affect future tax charges

The Group's overseas tax rate is higher than that in the UK as profits earned by Les Celliers de Calais S.A.S. in France are taxed at a rate of 33.2% (2014: 33.2%).

No deferred tax is recognised on the unremitted earnings of overseas subsidiaries as following the enactment of the Finance Act 2009 the Group considers that it would have no liability to additional taxation should such amounts be remitted.

## Notes to the Financial Statements

**10. Earnings per share**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of Ordinary Shares in issue during the year, excluding those held by the Employee Share Ownership Trust (note 24), which are treated as cancelled.

For diluted earnings per share, the weighted average number of Ordinary Shares in issue is adjusted to assume conversion of all potential dilutive Ordinary Shares. These represent share options granted to employees where the exercise price is less than the average market price of the Company's Ordinary Shares during the year. Share options granted over 423,885 (2014: 80,104) Ordinary Shares have not been included in the dilutive earnings per share calculation because they are anti dilutive at the period end.

Adjusted earnings per share is calculated by excluding the effect of exceptional items (see note 6b). This alternative measure of earnings is presented to reflect the Group's trading performance.

	30.03.15	31.03.14
Weighted average number of shares in issue	65,623,774	65,285,028
<b>Dilutive potential Ordinary Shares:</b>		
Employee share options	560,322	810,417
Total number of shares for calculating diluted earnings per share	66,184,096	66,095,445

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Profit for the financial year attributable to equity holders of the parent	13,479	17,602
<b>Add:</b>		
Termination payments, net of tax	549	–
Acquisition costs	1,767	–
Adjusted profit after tax	15,795	17,602

	30.03.15	31.03.14
Basic earnings	20.5p	27.0p
Diluted earnings	20.4p	26.6p
Adjusted basic earnings	24.1p	27.0p
Adjusted diluted earnings	23.9p	26.6p

Following the acquisition of Naked Wines International Limited (see note 29) on 10 April 2015, contingent consideration in shares to the value of £20,000,000 was allotted.

**11. Dividends paid and proposed**

	30.03.15 £000	31.03.14 £000
<b>Equity dividends on Ordinary Shares declared and paid during the year:</b>		
Final dividend for 2014: 11.8p (2013: 11.8p)	7,744	7,689
Interim for 2015: 4.2p (2014: 4.2p)	2,757	2,742
Equity dividends paid	10,501	10,431
<b>Proposed for approval by shareholders at the AGM:</b>		
Final dividend for 2015: nil (2014: 11.8p)	–	7,738

## Notes to the Financial Statements

12. Goodwill and intangible assets  
Group

	Software £000	Facilities and trademark license £000	Goodwill £000	Total £000
<b>Cost:</b>				
At 1 April 2014	5,224	2,985	10,528	18,737
Additions	1,066	–	–	1,066
Foreign currency adjustment	(21)	–	(911)	(932)
<b>At 30 March 2015</b>	<b>6,269</b>	<b>2,985</b>	<b>9,617</b>	<b>18,871</b>
<b>Accumulated amortisation and impairment losses:</b>				
At 1 April 2014	3,210	1,125	5,296	9,631
Amortisation during the year	619	225	–	844
Foreign currency adjustment	(21)	–	(585)	(606)
<b>At 30 March 2015</b>	<b>3,808</b>	<b>1,350</b>	<b>4,711</b>	<b>9,869</b>
<b>Net carrying value:</b>				
<b>At 30 March 2015</b>	<b>2,461</b>	<b>1,635</b>	<b>4,906</b>	<b>9,002</b>
At 31 March 2014	2,014	1,860	5,232	9,106
<b>Cost:</b>				
At 1 April 2013	4,420	2,985	10,711	18,116
Additions	804	–	–	804
Foreign currency adjustment	–	–	(183)	(183)
<b>At 31 March 2014</b>	<b>5,224</b>	<b>2,985</b>	<b>10,528</b>	<b>18,737</b>
<b>Accumulated amortisation and impairment losses:</b>				
At 1 April 2013	2,701	900	5,414	9,015
Amortisation during the year	509	225	–	734
Foreign currency adjustment	–	–	(118)	(118)
<b>At 31 March 2014</b>	<b>3,210</b>	<b>1,125</b>	<b>5,296</b>	<b>9,631</b>
<b>Net carrying value:</b>				
<b>At 31 March 2014</b>	<b>2,014</b>	<b>1,860</b>	<b>5,232</b>	<b>9,106</b>
At 1 April 2013	1,719	2,085	5,297	9,101

The amortisation of intangible assets is included within administrative costs on the income statement.

Facilities and trademark license is one individual material asset which has a remaining amortisation period of seven years.

Goodwill acquired through business combinations has been allocated for impairment testing purposes to two-cash generating units, which are also operating segments within the Group. The relevant acquisitions are Les Celliers de Calais S.A.S. trading as Majestic Wine Calais and Lay & Wheeler Ltd. Goodwill on these acquisitions of £2,606,000 (2014: £2,606,000) is attributable to the Lay & Wheeler segment and £2,300,000 (2014: £2,626,000) to the Majestic Wine Calais segment respectively. Majestic Wine Calais goodwill is determined in Euro and is retranslated every year.

The Group performed its annual impairment test as at 30 March 2015. The impairment test for goodwill and intangible assets with indefinite useful lives is based on a value in use calculation which is a discounted cash flow model. The cash flows do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amounts have been determined on a value in use calculation using discounted cash flow projections based on financial budgets approved by the Board covering a 12 month period. Cash flows for the following five years were modelled at 3% growth and discounted at a risk adjusted pre-tax discount rate of 10.6% (2014: 10%). The Group has conducted a sensitivity analysis on each impairment test and has considered reasonably possible changes of key assumptions. The recoverable amount determined through the Lay and Wheeler impairment review exceeds the carrying amount of the cash generating unit by £850,000. If the assumed growth in cashflows in FY16 are not achieved by 30% then the recoverable amount reduces to the carrying amount.

## Notes to the Financial Statements

13. Property, plant and equipment  
Group

	Land and buildings			Equipment, fittings & vehicles £000	Total £000
	Freehold £000	Long leasehold £000	Leasehold improvements £000		
<b>Cost or valuation:</b>					
At 1 April 2014	41,955	5,510	23,193	32,478	103,136
Additions	349	601	2,560	3,512	7,022
Retranslation	–	–	(77)	(64)	(141)
Disposals	(719)	–	(216)	(1,624)	(2,559)
<b>At 30 March 2015</b>	<b>41,585</b>	<b>6,111</b>	<b>25,460</b>	<b>34,302</b>	<b>107,458</b>
<b>Depreciation:</b>					
At 1 April 2014	3,474	149	9,345	18,486	31,454
Charge for year	472	85	1,676	2,668	4,901
Impairment (see note 15)	176	–	56	58	290
Retranslation	–	–	(73)	(58)	(131)
Disposals	(88)	–	(140)	(1,460)	(1,688)
<b>At 30 March 2015</b>	<b>4,034</b>	<b>234</b>	<b>10,864</b>	<b>19,694</b>	<b>34,826</b>
<b>Net book value:</b>					
<b>At 30 March 2015</b>	<b>37,551</b>	<b>5,877</b>	<b>14,596</b>	<b>14,608</b>	<b>72,632</b>
At 1 April 2014	38,481	5,361	13,848	13,992	71,682
<b>Cost or valuation:</b>					
At 1 April 2013	41,462	4,316	19,815	29,657	95,250
Additions	493	1,194	3,386	3,906	8,979
Retranslation	–	–	(8)	(4)	(12)
Disposals	–	–	–	(1,081)	(1,081)
<b>At 31 March 2014</b>	<b>41,955</b>	<b>5,510</b>	<b>23,193</b>	<b>32,478</b>	<b>103,136</b>
<b>Depreciation:</b>					
At 1 April 2013	3,011	119	7,801	16,677	27,608
Charge for year	463	30	1,544	2,416	4,453
Impairment	–	–	6	–	6
Retranslation	–	–	(6)	(3)	(9)
Disposals	–	–	–	(604)	(604)
<b>At 31 March 2014</b>	<b>3,474</b>	<b>149</b>	<b>9,345</b>	<b>18,486</b>	<b>31,454</b>
<b>Net book value:</b>					
<b>at 31 March 2014</b>	<b>38,481</b>	<b>5,361</b>	<b>13,848</b>	<b>13,992</b>	<b>71,682</b>
at 1 April 2013	38,451	4,197	12,014	12,980	67,642

Freehold land and buildings includes £17,759,000 (2014: £18,064,000) in respect of land that is not depreciated. The gross value of fully depreciated assets in use was £14,640,000 (2014: £14,953,000).

Included within additions are assets held under construction totaling £1,959,000 (2014: £7,092,000).

## Notes to the Financial Statements

**14. En Primeur****Group**

En primeur refers to the process of purchasing wines early before they are bottled and released onto the market. This method of purchasing gives the consumer the opportunity to secure wines that may be in limited quantity and very difficult to acquire after release. Receipts and payments for these wines may be up to two years before the wines are available to customers. Payments to suppliers are treated as prepayments and receipts from customers as deferred income until the wines are available to customers.

**a) Analysis of en primeur balances**

	30.03.15 £000	31.03.14 £000
En primeur purchases included in non current assets	526	1,487
En primeur purchases included in current assets	1,792	1,883
<b>Total en primeur purchases</b>	<b>2,318</b>	<b>3,370</b>
En primeur deferred income included in current liabilities	(2,320)	(2,448)
En primeur deferred income included in non current liabilities	(610)	(1,676)
<b>Total en primeur deferred income</b>	<b>(2,930)</b>	<b>(4,124)</b>
<b>Net en primeur balance</b>	<b>(612)</b>	<b>(754)</b>

**b) Movement in en primeur balances**

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Net en primeur balance at beginning of period	(754)	(1,020)
Movement in en primeur balance	142	266
<b>Net en primeur balance at end of period</b>	<b>(612)</b>	<b>(754)</b>

## Notes to the Financial Statements

15. Prepaid operating lease costs  
Group

	Prepaid Total £000
<b>Cost:</b>	
At 1 April 2014	4,303
Additions	343
Disposals	(288)
<b>At 30 March 2015</b>	<b>4,358</b>
<b>Amortisation:</b>	
At 1 April 2014	2,158
Amortisation during the year	231
Disposals	(239)
Impairment	26
<b>At 30 March 2015</b>	<b>2,176</b>
<b>Net book value: At 30 March 2015</b>	<b>2,182</b>
At 1 April 2014	2,145
<b>Cost:</b>	
At 1 April 2013	3,819
Additions	484
<b>At 31 March 2014</b>	<b>4,303</b>
<b>Amortisation:</b>	
At 1 April 2013	1,821
Amortisation during the year	215
Impairment	122
<b>At 31 March 2014</b>	<b>2,158</b>
<b>Net book value: At 31 March 2014</b>	<b>2,145</b>
At 1 April 2013	1,998

The amortisation of prepaid lease costs is included within distribution costs in the income statement.

The impairment loss during 2015 of £26,000 and £290,000 (disclosed in note 13) arose on reducing the carrying value of assets related to the Swindon, Filton and Livingstone stores to their recoverable amount, being fair value less estimated selling costs. The stores belong to Majestic Wine Warehouses Limited business unit. Fair value represents the current market value of the property.

## Notes to the Financial Statements

**16. Investments in subsidiaries****Company**

	£000
<b>Cost or valuation:</b>	
At 1 April 2013	15,797
Net movement on share options granted/(lapsed) to subsidiary companies employees	(13)
At 31 March 2014	15,784
Net movement on share options granted/(lapsed) to subsidiary companies employees	131
<b>At 30 March 2015</b>	<b>15,915</b>
<b>Amounts provided for:</b>	
At 31 March 2014 and 30 March 2015	4,039
<b>Net book value:</b>	
<b>At 30 March 2015</b>	<b>11,876</b>
At 31 March 2014	11,745

The Company owns the following:

- i) 100% of the ordinary share capital of Majestic Wine Warehouses Limited, a company registered in England and Wales, whose principal activity is the retailing of wines, beers and spirits.
- ii) 100% of the ordinary share capital of Les Celliers de Calais S.A.S., a company registered in France, whose principal activity is the retailing of wines, beers and spirits. This entity has a year end date of 31 March.
- iii) 100% of the ordinary share capital of Majestic Wine Employee Share Ownership Trust Limited, a company registered in England and Wales, whose principal activity is acting as a discretionary trust for the benefit of the Group's employees.
- iv) Through Majestic Wine Warehouses Limited:
  - (a) 100% of the ordinary share capital of Vinothèque Holdings Limited, a company registered in England and Wales, whose principal activity is property management.
  - (b) 100% of the share capital of WBI Holdco Limited, a holding company registered in England and Wales, which owns 100% of the share capital of WBI Limited, a non trading company registered in England and Wales.
  - (c) Through WBI Limited, 100% of ordinary share capital of Lay & Wheeler Limited, a company registered in England and Wales, whose principal activity is importation, sales and storage of fine wines and related services.

**17. Inventories**

	<b>Group</b>	Group	<b>Company</b>	Company
	<b>30.03.15</b>	31.03.14	<b>30.03.15</b>	31.03.14
	<b>£000</b>	£000	<b>£000</b>	£000
Goods for resale	<b>54,237</b>	54,761	-	-

The amount of inventories recognised as an expense and charged to the income statement was £194,254,000 (2014: £190,031,000), included within this figure are £262,000 (2014: £169,000) of inventory write-offs and £1,183,000 (2014: nil) in respect of write-downs of inventory to net realisable value.

## Notes to the Financial Statements

## 18. Trade and other receivables

	Group 30.03.15 £000	Group 31.03.14 £000	Company 30.03.15 £000	Company 31.03.14 £000
Trade receivables	5,456	4,882	–	–
Amounts due from Group undertakings	–	–	28,965	28,672
Other debtors	496	941	–	–
Prepayments and accrued income	2,771	2,122	186	–
	<b>8,723</b>	7,945	<b>29,151</b>	28,672

The amounts due from Group undertakings have no fixed payment terms and are interest free. Trade receivables are non-interest bearing and are generally on 30-90 days' terms. Trade receivables are shown net of a provision for impairment. The movements in the provision for impairment of receivables were as follows:

	Group 30.03.15 £000	Group 31.03.14 £000	Company 30.03.15 £000	Company 31.03.14 £000
Balance at the beginning of the year	132	115	–	–
Charge for the year	118	69	–	–
Uncollectable amounts written off	(99)	(52)	–	–
Balance at the end of the year	<b>151</b>	132	–	–

As at the balance sheet date, the ageing analysis of trade receivables that were past due but not impaired is as follows:

Group	Total £000	Current £000	Up to 3 months past due £000	3 to 6 months past due £000	Over 6 months past due £000
As at 30 March 2015	5,456	3,043	2,157	256	–
As at 31 March 2014	4,882	2,712	2,052	118	–

There are no indicators of impairment for those debtors that are neither past due nor impaired.

## 19. Trade and other payables

	Group 30.03.15 £000	Group 31.03.14 £000	Company 30.03.15 £000	Company 31.03.14 £000
<b>Current:</b>				
Trade payables	40,505	36,982	–	–
Other taxes and social security	5,095	3,630	–	–
Accruals and other payables	7,131	3,898	1,756	–
	<b>52,731</b>	44,510	<b>1,756</b>	–
<b>Non current:</b>				
Amounts due to Group undertakings	–	–	2,000	2,000
	<b>52,731</b>	44,510	<b>3,756</b>	2,000

Amounts payable in respect of defined contribution pension schemes were £163,000 (2014: £80,000).

The amounts due to Group undertakings have no fixed repayment terms, are interest free and are not expected to be settled within one year.

## Notes to the Financial Statements

**20. Financial liabilities**  
**Group**

	<b>30.03.15</b>	31.03.14
	<b>£000</b>	£000
Current:		
Bank overdrafts	–	3,808
	–	3,808

**21. Provision for liabilities**  
**Group**

	Provision for dilapidations £000	Cherbourg store closure £000	National Insurance £000	Total £000
At 1 April 2013	148	94	403	645
Provided in the year	74	–	–	74
Released in the year	–	(21)	(73)	(94)
Utilised in year	(14)	–	(175)	(189)
At 31 March 2014	208	73	155	436
Released in the year	–	(73)	(67)	(140)
Utilised in year	(51)	–	(55)	(106)
<b>At 30 March 2015</b>	<b>157</b>	<b>–</b>	<b>33</b>	<b>190</b>

**Analysis of total provisions:**

	<b>30.03.15</b>	31.03.14
	<b>£000</b>	£000
Current	<b>190</b>	397
Non current	–	39
	<b>190</b>	436

**a) Provision for dilapidations:**

In July 2014 the lease on the Group's head office and depot facility ended. The terms of the lease require the Group to make good certain aspects of the facility and consequently the Group has provided the Directors' best estimate of the costs associated.

**b) Cherbourg store closure:**

During the year the final termination payment was settled by the French courts. The settlement amounts were fully paid over by the year end and no further provision is required.

**c) National insurance:**

National insurance contributions which will become payable on exercise of share options have been provided. The share options can be exercised at various dates from the balance sheet date to 17 December 2024. The amount payable is dependent on the Company's share price at the date of exercise of the options. The provision which is allocated on a time weighted basis over the period from date of grant to the date that employees become unconditionally entitled to the options has been calculated on the share price at the balance sheet date of 302p and the assumption that 100% of employees will exercise their share options and that the rate of NIC is 13.8%.

## Notes to the Financial Statements

**22. Deferred lease inducements**

Group	30.03.15 £000	31.03.14 £000
Current	425	414
Non current	2,588	2,573
	<b>3,013</b>	<b>2,987</b>

Deferred lease inducements comprise rent free periods and premiums received from lessors in respect of operating leases. These lease incentives are recognised in the income statement on a straight-line basis over the full term of each relevant lease.

**23. Share capital and reserves**

Called up share capital	30.03.15		31.03.14	
	Number	Value £000	Number	Value £000
<b>Authorised:</b>				
Ordinary Shares of 7.5p each	140,000,000	10,500	140,000,000	10,500
<b>Allotted, called up and fully paid:</b>				
In issue at beginning of period	65,628,859	4,922	65,145,559	4,886
Issued on exercise of share options	27,490	2	483,300	36
In issue at end of period	<b>65,656,349</b>	<b>4,924</b>	65,628,859	4,922

**Issue of new shares:**

During the year 27,490 (2014: 483,300) Ordinary Shares of 7.5p each were allotted for a consideration of £65,000 (2014: £1,200,000). The shares were allotted during the year under the terms of the Company's share option scheme which is described in note 25.

**Share premium account**

The share premium account represents the amounts received by the Company on the issue of Ordinary Shares that are in excess of the nominal value of the issued shares.

**Capital reserve – own shares**

The Group holds shares in an employee share ownership trust (see note 24). The reserve represents the cost of acquired shares that have not as yet fully vested with employees.

**Capital redemption reserve**

The Company when cancelling its Ordinary Shares transfers amounts equivalent to the nominal value of the cancelled shares into the capital redemption reserve so as to maintain the level of non-distributable reserves in shareholders' equity.

**Currency translation reserve**

The currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

**24. Employee Share Ownership Trust**

The trust is used to acquire shares in Majestic Wine PLC to satisfy awards under the deferred bonus scheme. The shares are distributed to participants of the scheme at the end of a two-year deferral period.

At the year end the trust held 3,934 (2014: 53,969) shares with a nominal value of 7.5p each. The total acquisition cost of these shares was £17,000 (2014: £230,000). At the year end the market value of these shares was £12,000 (2014: £226,000).

## Notes to the Financial Statements

**25. Share-based payments**

The total charge recognised in the Income Statement in respect of share-based payments is £131,000 (2014: £52,000) which is made up of share option schemes and share bonus payments under the Company's deferred bonus scheme.

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Share option schemes	131	(13)
Deferred bonus scheme	–	65
<b>Total charged to income statement</b>	<b>131</b>	<b>52</b>

**a) Share option schemes**

The Company operated five share option schemes during the year, all of which are equity settled.

**Approved and unapproved executive share option schemes**

These schemes permit the grant of options in respect of Ordinary Shares to selected employees. Options are normally exercisable between three and ten years from the date of grant for consideration not less than market value at grant date. Apart from grants of options to executive Directors, the exercise of options is not subject to any conditions other than continuous employment. The exercise of options granted to executive Directors is conditional on the achievement of specified performance targets related to growth in earnings per share over a three-year period. The executive Directors' participation in the Group's executive share option schemes is limited such that they are eligible to receive options over shares in value up to a maximum of two times gross salary at the date of grant which will only become exercisable on the achievement of performance criteria determined by the Remuneration Committee.

The Company operated the following approved and unapproved executive share option schemes.

- i) The Majestic Wine PLC Approved Executive Share Option Scheme (1996) was adopted on 14 October 1996. The authority to grant options under this scheme expired in October 2006.
- ii) The Majestic Wine PLC Approved Executive Share Option Scheme (2006) was adopted on 4 August 2006 and achieved HMRC approval for tax purposes on 7 December 2006. The first grant of options under the rules of this scheme was made in January 2007.
- iii) The Majestic Wine PLC Unapproved Executive Share Option Scheme (1996) was adopted on 14 October 1996. The authority to grant options under this scheme expired in October 2006.
- iv) The Majestic Wine PLC 2006 Unapproved Employee Share Option Scheme was adopted on 4 August 2006. The first grant of options under the rules of this scheme was made in January 2007.

**Long Term Incentive Plan**

The Majestic Wine PLC 2011 Long Term Incentive Plan was adopted on 4 August 2011. This scheme permits the grant of options in respect of Ordinary Shares to selected executives. Options are normally exercisable between three and ten years from date of grant for nil consideration. The exercise of options will be conditional on the satisfaction of specified performance targets related to earnings per share growth over a three-year period.

## Notes to the Financial Statements

**25. Share-based payments** continued

The following table reconciles the number of share options outstanding and the weighted average exercise price (WAEP):

	Note	52 weeks to 30.03.15 Options	52 weeks to 30.03.15 WAEP	52 weeks to 31.03.14 Options	52 weeks to 31.03.14 WAEP
Outstanding as at the beginning of the year		2,581,740	£2.76	1,961,787	£2.14
Exercised	a	(27,490)	£2.34	(483,300)	£2.46
Lapsed		(452,158)	£1.58	(170,000)	£4.19
Granted		743,250	£3.89	1,273,253	£3.81
Outstanding as at the end of the year		2,845,342	£3.25	2,581,740	£2.76
Exercisable as at the end of the year		578,500	£3.34	437,240	£2.81
Weighted average remaining contractual life in years		7.12		7.00	

Notes:

a) Share options were exercised on a regular basis throughout the year. The weighted average share price for options exercised during the year was £3.89 (2014: £5.28).

The following table shows the number of share options outstanding by share option scheme:

	30.03.15	31.03.14
1996 Approved scheme	20,700	37,690
2006 Approved scheme	1,298,670	922,670
2006 Unapproved scheme	893,630	689,380
Long term incentive plan	632,342	932,000
Outstanding as at the end of the year	2,845,342	2,581,740

The fair value of equity-settled share options is estimated as at the date of grant using the Black-Scholes option pricing model. The following table lists the range of assumptions applied to the options granted in the respective periods shown.

	Long term incentive plan 2015	Executive Option schemes 2015	Long term incentive plan 2014	Executive Option schemes 2014
Weighted average share price at grant	–	£3.91	£5.06	£5.04
Weighted average exercise price	–	£3.89	£0.00	£5.00
Expected life of options (years)	–	4.1-4.6	3	4.1-4.5
Contractual life (years)	–	10	7	10
Volatility (%)	–	29%	27%	26-27%
Dividend yield (%)	–	4.07-4.12%	3.12%	2.97-3.16%
Risk free interest rate (%)	–	1.21-1.93%	1.24%	1.31-1.87%
Weighted average fair value of options granted during the year	–	£0.62	£4.52	£0.80

There were no grants made during the year under the Long Term Incentive Plan. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that historical volatility is indicative of future trends, which may not necessarily be the actual outcome.

## Notes to the Financial Statements

**25. Share-based payments continued****b) Deferred bonus scheme**

The Group operates a deferred bonus scheme for senior managers, which excludes the executive Directors. The scheme involves the award of bonus shares to participants subject to meeting performance criteria. Participants may defer the award of the bonus shares for two years and so long as they are in continuous employment throughout this period, the Company will award an equivalent number of matching shares. The cost of the scheme is charged to the income statement over a three-year period. The bonus shares are expensed in the initial year of operation and the matching loyalty shares over the initial year and the two-year deferral period.

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
2012 Scheme	–	65
Total charged to the income statement	–	65

Note that no awards were made under the scheme for the 2015 and 2014 financial years.

**26. Commitments****a) Operating lease agreements where Group is lessee:**

The Group leases various stores, offices, warehouses and equipment under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

	30.03.15 £000	31.03.14 £000
<b>Future minimum rentals payable under non-cancellable operating leases:</b>		
Within one year	10,907	10,823
Between one and five years	37,597	37,187
In over five years	41,878	41,916
	<b>90,382</b>	<b>89,926</b>

The total of future minimum payments expected to be received under non-cancellable subleases amounts to £4,832,000 (2014: £4,935,000).

**b) Operating lease commitments where Group is lessor:**

The Group leases surplus space in various owner-occupied stores, offices, and warehouses under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

	30.03.15 £000	31.03.14 £000
<b>Future minimum rentals receivable under non-cancellable operating leases:</b>		
Within one year	932	909
Between one and five years	3,005	3,043
In over five years	2,191	2,475
	<b>6,128</b>	<b>6,427</b>

**c) Capital expenditure commitments**

Capital expenditure authorised and contracted for but not provided in the accounts amounts to £973,000 for the Group (2014: £2,002,000).

## Notes to the Financial Statements

## 27. Notes to the cash flow statements

## a) Reconciliation of profit to cash generated/(utilised) by operations

	Group 52 weeks to 30.03.15 £000	Group 52 weeks to 31.03.14 £000	Company 52 weeks to 30.03.15 £000	Company 52 weeks to 31.03.14 £000
Cash flows from operating activities				
Profit for the year	13,479	17,602	9,159	10,822
Adjustments to reconcile profit for the year to cash generated/(utilised) by operations:				
Income tax expense	4,943	6,158	-	-
Dividends received	-	-	(10,926)	(10,822)
Net finance cost	119	127	-	-
Amortisation, impairment and depreciation	6,292	5,530	-	-
(Profit)/loss on disposal of non current assets	(2)	37	-	-
Decrease/(increase) in inventories	524	(3,455)	-	-
(Increase)/decrease in trade and other receivables	(756)	570	(479)	(1,591)
Increase/(decrease) in trade and other payables	8,195	(3,933)	1,756	-
Movement in en primeur balances	(142)	(266)	-	-
Increase in deferred lease inducements	26	1,398	-	-
Change in fair value of derivative instruments	350	38	-	-
Decrease in provisions	(246)	(209)	-	-
Share based payments	131	52	-	-
Cash generated/(utilised) by operations	32,913	23,649	(490)	(1,591)

## b) Cash and cash equivalents

For the purposes of the Group cash flow statement, cash and cash equivalents comprise the following:

Group	30.03.15 £000	31.03.14 £000
Cash and cash equivalents per Group balance sheet	10,967	5,587
Bank overdraft per Group balance sheet	-	(3,808)
Cash and cash equivalents per cash flow statements	10,967	1,779

## c) Reconciliation of net cash flow to movement in net funds

Group	30.03.15 £000	31.03.14 £000
Net increase/(decrease) in cash and cash equivalents	9,435	(1,057)
Effect of foreign exchange differences	(247)	(52)
Movement in net funds/(debt)	9,188	(1,109)
Net funds at beginning of year	1,779	2,888
Net funds at end of year	10,967	1,779

## Notes to the Financial Statements

**28. Financial instruments**

The Group's financial instruments, other than derivatives, comprise cash, bank borrowings and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group also enters into derivative transactions in the form of forward currency contracts. The purpose of these transactions is to manage the currency risk arising from the Group's operations. The Group does not hold or issue financial instruments for trading purposes. The Group's treasury function is under the direct control of the Finance Director and does not engage in speculative trading.

The principal financial risks to which the Group is exposed relate to liquidity/funding, credit risk, interest rates, market risk and foreign exchange rates.

**Liquidity/funding**

Liquidity risk is managed by short-term and medium-term cash flow forecasts. The Group has short-term seasonal borrowing requirements that are backed by an uncommitted facility agreed with Barclays Bank PLC. The facility is reviewed annually and has no expiry date. The facility consists of an overdraft and access to the uncommitted money markets for short term funding requirements. The amount available to draw against varies throughout the year from £5,000,000 to £17,500,000 matching the Group's working capital requirements. The aggregate of the overdraft and money market facilities available at 30 March 2015 was £5,000,000 (2014: £5,000,000). The facilities incur arrangement fees at market rates and interest is charged on the overdraft at a commercial rate over base and on the money market facility at a commercial rate over LIBOR.

The facilities arranged with Barclays are secured by a fixed and floating charge on the Group's assets.

The table below summarises the maturity profile of the Group's financial liabilities at 30 March 2015 and 31 March 2014 based on contractual undiscounted payments.

**Group  
As at 30 March 2015**

	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 3 years £000	Total £000
<b>Financial assets</b>				
Loans and receivables (including cash and cash equivalents)	16,919	–	–	16,919
Fair value through profit and loss	41	–	–	41
	<b>16,960</b>	<b>–</b>	<b>–</b>	<b>16,960</b>
<b>Financial liabilities</b>				
Trade and other payables	47,636	–	–	47,636
<b>Derivative financial instruments:</b>				
Gross settled payments	19,183	–	–	19,183
Gross settled receipts	(18,660)	–	–	(18,660)
	<b>48,159</b>	<b>–</b>	<b>–</b>	<b>48,159</b>

**As at 31 March 2014**

	Due within 1 year £000	Due between 1 and 2 years £000	Due between 2 and 3 years £000	Total £000
<b>Financial assets</b>				
Loans and receivables (including cash and cash equivalents)	11,410	–	–	11,410
Fair value through profit and loss	–	–	–	–
	<b>11,410</b>	<b>–</b>	<b>–</b>	<b>11,410</b>
<b>Financial liabilities</b>				
Bank overdraft	3,808	–	–	3,808
Trade and other payables	40,880	–	–	40,880
<b>Derivative financial instruments:</b>				
Gross settled payments	21,324	–	–	21,324
Gross settled receipts	(21,152)	–	–	(21,152)
	<b>44,860</b>	<b>–</b>	<b>–</b>	<b>44,860</b>

## Notes to the Financial Statements

### 28. Financial instruments continued

#### Company

The Company's only financial liabilities are in relation to accrued expenses and intercompany balances. The intercompany balances have no fixed repayment terms, are interest free and are not expected to be settled within one year.

#### Credit risk

There are no significant concentrations of credit risk within the Group. The maximum credit risk exposure relating to financial assets is represented by its carrying value as at the balance sheet date limited to the value of trade and other receivables.

Risk of financial loss due to a counterparty's failure to honour its obligations arises principally from deposits of cash, derivative financial assets and sales on deferred terms. The Group's cash deposits are only lodged with, and foreign currency contracts entered into with approved institutions that have secure credit ratings, at present the only counterparty is Barclays Bank PLC. The Group uses a credit referencing agency to establish third party's credit worthiness before offering to sell on deferred terms. Credit limits are assigned to each debtor account and compliance is monitored. In addition trade debtor balances are regularly reviewed with the result that the Group's exposure to bad debts is not significant.

#### Interest rates

The Group's financial assets, excluding short-term trade and other receivables, include cash and cash equivalents of £10,967,000 (2014: £1,779,000), in addition to derivative foreign exchange contracts shown in the table on page 64. Funds not required immediately for the Group's operations are invested in sterling denominated deposit accounts. The funds are placed on a combination of overnight and call deposits. The rates are reviewed regularly and the best rate obtained in the context of the Group's needs. The weighted average floating interest rate earned in the year on the Group's sterling deposits was 0.34% (2014: 0.45%). The only interest risk is related to the floating rates on the cash balances and is insignificant.

The cash profile at 30 March 2015 was:

	Cash at floating rates	
	30.03.15	31.03.14
	£000	£000
<b>Currency:</b>		
Sterling	10,266	4,454
Euros	561	437
Australian Dollars	14	–
US Dollars	–	624
New Zealand Dollars	126	72
Sub-total	10,967	5,587
<b>Bank overdraft:</b>		
Sterling	–	(3,808)
<b>Total</b>	<b>10,967</b>	<b>1,779</b>

#### Market risk

Market risk is the risk that changes in market prices, such as foreign currency exchange rates and interest rates, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Group manages foreign currency risk as detailed below. The Group does not currently enter into any interest rate swaps or other derivative financial instruments to mitigate the risk of rising interest rates.

#### Foreign currency exchange rates

Transactional foreign currency exposures arise from the import of goods directly sourced from overseas suppliers. The Group hedges these cash flow exposures by acquiring forward currency contracts sufficient to cover the anticipated foreign currency denominated purchases. Contracts are put in place prior to the setting of retail prices. The exposure may be covered up to a period of one year. The majority of these contracts are in Euros maturing in less than one year. At 30 March 2015 the Group had forward contracts in place to cover all of its foreign currency purchases for which firm commitments had been made.

The Group does not use derivatives to hedge balance sheet and profit and loss translation exposures arising on the consolidation of the French subsidiary.

## Notes to the Financial Statements

**28. Financial instruments** continued**Foreign currency risk**

The following table demonstrates the sensitivity to a reasonably possible change in the Sterling against the Euro exchange rate with all other variables held constant, of the Group's profit before tax, due to changes in the fair value of monetary assets, liabilities and forward currency contracts.

The currency sensitivity analysis is based on the following assumptions. Major non-derivative monetary financial instruments (liquid assets, receivables, non-interest bearing liabilities) are either denominated in the functional currency or are transferred to the functional currency through the use of derivatives. Exchange rate fluctuations therefore have no effect on profit or loss. The Group is therefore only exposed to currency risk from specific currency derivatives. These derivatives are used to hedge planned transactions but are not accounted for using hedge accounting.

	Increase/decrease in Sterling against the Euro rate	Effect on profit before tax £000
<b>2015</b>		
<b>Euro</b>	<b>+5%</b>	<b>1,362</b>
	<b>-5%</b>	<b>(352)</b>
<b>2014</b>		
<b>Euro</b>	<b>+5%</b>	<b>1,021</b>
	<b>-5%</b>	<b>(848)</b>

**Derivative financial instruments**

Forward foreign currency exchange contracts acquired to hedge the Group's forecast currency requirements are, for accounting purposes, designated as held for trading with fair value movements being recognised in the income statement.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The nominal and fair value of forward currency contracts is shown in the following table. All contracts have maturity dates within one year. The fair value of these instruments was determined using quoted forward exchange rates matching the maturities of the contracts. The Group's measurement of their financial instruments meets the criteria of Level 2 and hence all have been included in this classification.

	Nominal value £000	Fair value	
		Assets £000	Liabilities £000
<b>Forward foreign currency contracts as at 30 March 2015</b>	<b>19,183</b>	<b>41</b>	<b>(552)</b>
Forward foreign currency contracts as at 31 March 2014	21,324	–	(161)

**Fair values of non-derivative financial assets and financial liabilities**

As at 30 March 2015 and 31 March 2014 the Group considers its financial assets to be short term trade and other receivables, cash and cash equivalents and its financial liabilities to be the bank overdraft and short term trade and other payables. There is no material difference between the book value and the fair value of any financial asset or liability.

**Capital management**

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group considers capital to consist of the total equity of the Group.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the current year.

The Group is not subject to externally imposed capital requirements.

## Notes to the Financial Statements

### 29. Events after the balance sheet

On 10 April 2015 the Group acquired the entire share capital of Naked Wines International Limited ('Naked Wines') for total consideration of up to £70 million, which includes approximately £50 million payable on completion in cash, plus up to £20 million contingent consideration payable in Majestic's Ordinary Shares. Naked Wines is a customer funded international online wine business and currently has over 300,000 customers funding over 130 winemakers, underpinned by large and growing wine markets. Given the timing of the acquisition, it has not been possible to determine the fair values of the assets and liabilities acquired.

Following the acquisition of Naked Wines on 10 April 2015 the Group entered into a facility agreement with Barclays Bank PLC and HSBC PLC for a revolving credit facility for £85 million. As at the date of signing the financial statements the Group had drawn down £50 million.

### 30. Related party transactions

#### Group

Sales and purchases between related parties are made at normal market prices. Outstanding balances with entities other than subsidiaries are unsecured, interest free and cash settlement is expected by the end of month following date of invoice. Terms and conditions for transactions with subsidiaries are the same, with the exception that balances are placed on intercompany accounts with no specified credit period. The Group has not benefited from any guarantees for any related party receivables or payables. During the year ended 30 March 2015, the Group has not made any provision for doubtful debts relating to amounts owed by related parties (2014: nil).

The Group considers its key management personnel to be the Directors of the Company.

The compensation of key management personnel is as follows:

	52 weeks to 30.03.15 £000	52 weeks to 31.03.14 £000
Short-term employee benefits	1,214	1,222
Compensation for loss of office	416	–
Post-employment benefits	158	153
Share-based payment including long term incentives	(154)	(297)
	<b>1,634</b>	<b>1,078</b>

There are no other related party transactions which require disclosure.

#### Company

The Company receives dividends from its subsidiary companies. The total dividends received in the year were £10,926,000 (2014: £10,822,000).

## Notes

## Notes

## Property

We have opened in 10 new locations during the financial year in Leighton Buzzard, Hexham, Loughton, Addlestone, Tiverton, Taplow, Wrexham, Bedford, Devizes and Fort Kinnaird in Edinburgh.

### London and Inside M25

Battersea  
Belgravia  
Brentford Lock  
Bromley  
Chalk Farm  
Cheam  
Chislehurst  
Chiswick  
City  
Clapham  
Cobham  
Covent Garden  
Docklands  
Dulwich  
Ealing  
East Molesey  
Enfield  
Epsom  
Esher  
Finchley  
Fulham  
Gidea Park  
Greenwich  
Islington  
Kingston  
Loughton ●  
Marylebone  
Mayfair  
Muswell Hill  
New Barnet  
Notting Hill Gate  
Putney  
Richmond  
Roehampton  
Ruislip  
Sanderstead  
Shepherds Bush  
St. John's Wood  
Twickenham  
Vauxhall  
Wanstead  
Weybridge  
Wimbledon

### South East

Addlestone ●  
Alton  
Amersham  
Aylesbury  
Basingstoke  
Berkhamsted  
Bishops Stortford  
Brighton & Hove  
Broadstairs  
Camberley  
Canterbury  
Chelmsford  
Crawley  
Dorking  
East Grinstead  
Farnham  
Fleet  
Gerrards Cross  
Guildford  
Haslemere  
High Wycombe  
Horsham  
Leatherhead  
Lewes  
Maidenhead  
Maidstone  
Reading  
Redhill  
Reigate  
Sevenoaks  
Sonning  
St. Albans  
Stevenage  
Sunningdale  
Taplow ●  
Tenterden  
Tunbridge Wells  
Windsor  
Woking  
Wokingham  
Worthing

### South and West

Barnstaple  
Bath  
Bristol Bath Road  
Bristol Filton  
Bristol Westbury-on-Trym  
Cheltenham  
Chichester  
Chippenham  
Cirencester  
Devizes ●  
Dorchester  
Exeter  
Falmouth  
Gloucester  
Havant  
Isle of Wight  
Lymington  
Marlborough  
Newbury  
Petersfield  
Poole  
Salisbury  
Southampton  
Stroud  
Swindon  
Taunton  
Tiverton ●  
Totnes  
Winchester  
Weston-Super-Mare  
Yeovil

### Wales

Bangor  
Cardiff  
Cardiff Bay  
Swansea  
Wrexham ●

### Midlands

Abingdon  
Ashbourne  
Banbury  
Bedford ●  
Bicester  
Birmingham Mere Green  
Birmingham Hagley Road  
Birmingham Shirley  
Derby  
Evesham  
Hereford  
Kettering  
Leamington Spa  
Leicester  
Leighton Buzzard ●  
Lichfield  
Ludlow  
Market Harborough  
Milton Keynes  
Northampton  
Nottingham  
Nottingham North  
Oxford Cowley Road  
Oxford Summertown  
Shrewsbury  
Stourbridge  
Stow-on-the-Wold  
Stratford-upon-Avon  
Uttoxeter  
Witney  
Wolverhampton  
Worcester

### East

Braintree  
Bury St. Edmunds  
Cambridge  
Colchester  
Grantham  
Ipswich  
King's Lynn  
Newmarket  
Norwich  
Peterborough  
Southend-on-Sea  
Sudbury

**North**

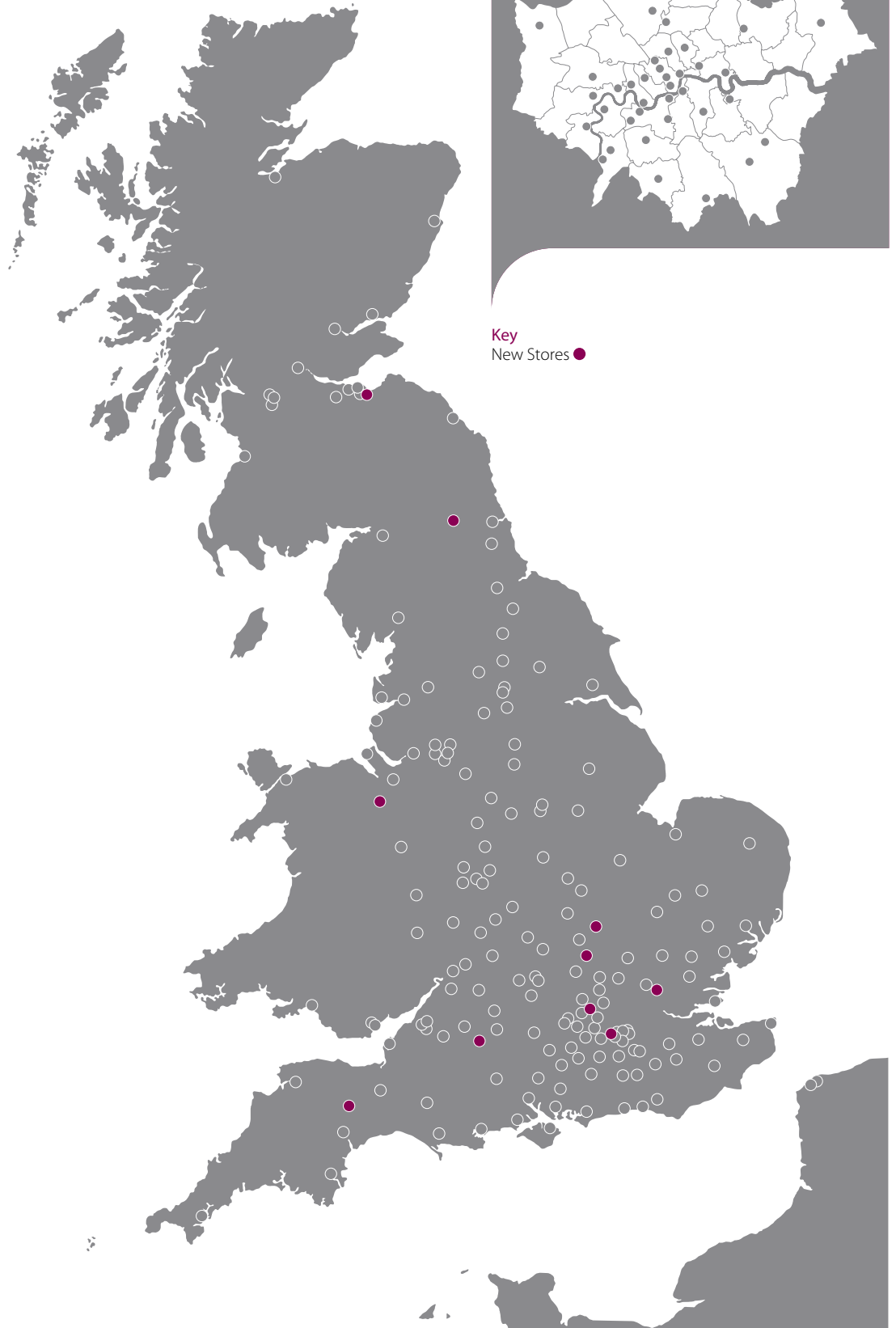
- Berwick-upon-Tweed
- Beverley
- Birkdale
- Carlisle
- Cheadle Hulme
- Chester
- Chesterfield
- Clitheroe
- Darlington
- Durham
- Hale Barns
- Harrogate
- Hexham ●
- Huddersfield
- Ilkley
- Kendal
- Leeds Central
- Leeds North
- Lincoln
- Lytham St Annes
- Macclesfield
- Newcastle
- Northallerton
- Preston
- Ripon
- Sale
- Sheffield
- Stockport
- Wakefield
- Warrington
- Wilmslow
- Wirral
- York

**Scotland**

- Aberdeen
- Ayr
- Dundee
- Edinburgh Causewayside
- Edinburgh Comiston Road
- Edinburgh Leith Walk
- Edinburgh Queensferry Road
- Fort Kinnaird ●
- Glasgow Bearsden
- Glasgow West End
- Glasgow Giffnock
- Inverness
- Livingston
- Perth
- Stirling

**France**

- Calais
- Coquelles



**Key**  
New Stores ●

**Majestic Wine PLC**

Majestic House  
The Belfry  
Colonial Way  
Watford  
WD24 4WH  
[majestic.co.uk](http://majestic.co.uk)