For Immediate Release **16 June 2014**

FINAL RESULTS

Majestic Wine PLC ("Majestic"), the UK's largest wine specialist with 206 stores, today announces its final results for the 52 weeks ended 31 March 2014.

Financial Highlights

- Total sales up **1.4%** to **£278.2m** (2013: £274.4m)
- Group Profit before tax increased to **£23.8m** (2013: £23.7m)
- Like for like sales in UK retail stores **-0.1**% lower
- Increased market share by **0.1%** to **4.2%**
- Final dividend of **11.8p** net per share, giving a total dividend of **16.0p** (2013: 15.8p)

Operational Highlights

- Number of active customers who made purchases during the year up **2.9%** to **643,000** (2013: 624,000)
- Average spend per transaction is **£129** (2013: £128)
- Average bottle of still wine purchased at Majestic **£7.94** (2013: £7.56)
- Significant increase in sales of Rosé from Provence up **84%,** (where Majestic now holds 47% of market share) and Malbec from Argentina, Chile and France up **50%**
- Online sales increased **5.8%** to **£27.7m,** now representing **11.4 %** of UK retail sales (2013: 11.1%)
- Sales to Commercial managed accounts up **20.6%** to **£37.3m** (2013: 30.9m)
- Sales of fine wine (priced at £20 per bottle and above) increased by **19.7%** to **£18.7m** (2013: £15.7m)
- **13** new stores opened during the year (2013: 16)

New Developments

- Infrastructure investment strategy implemented
- Developing new multichannel CRM strategy to improve personalised customer communications
- Third generation of new website launched in July 2013. Improved functionality gives customers greater choice
- Head Office successfully relocated in May 2014
- Distribution Centre moves to a larger and more modern facility in June 2014

Commenting on the results Steve Lewis, Chief Executive, said:

"Majestic made good operational progress in the last year and despite the difficult trading environment delivered a solid performance. 2015 will be a year of increased investment for Majestic to ensure that we have the right infrastructure to maximise on our long term opportunities for future growth."

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Chairman's Statement

The financial year ending March 2014 proved to be difficult at the trading level however solid progress was made in developing the infrastructure necessary for Majestic to maximise future growth. We opened thirteen new stores and launched the third generation of our website on a new robust and flexible platform. Post year end, in May 2014 we successfully moved our Head Office and at the end of June 2014 we will be relocating our Distribution Centre to a modern and larger facility.

Profit before tax for the year ended 31 March 2014 was up 0.3% to £23.8m. The retail environment in which we operate has been challenging and we saw a marginal decline in UK like for like sales of 0.1%. As previously announced, Majestic experienced a period of slow sales in January and February where consumer spending was subdued following a positive Christmas trading period.

Majestic has increased its market share by 0.1% to 4.2% our highest ever level. This not only demonstrates our ability to hold share in a challenging environment but also the potential for us to continue to grow. We are confident that we can take advantage of this market opportunity by our ongoing investment in new stores, developing our staff, technology and central facilities.

Dividend

The Board is proposing a final dividend of 11.8p per share. This brings the total dividend to 16.0p per share, an increase of 0.2p on last year highlighting our confidence in the future trading of the business.

People

It is the excellent customer service delivered by our teams of personable and knowledgeable people that most differentiates us from the competition. I would like to take this opportunity to thank them all for their undoubted commitment and hard work. We were pleased that their efforts were also recognised at the Decanter World Wine Awards in September 2013 with the award of Best National Wine Merchant.

Investing for the future and outlook

The business has grown materially in recent years and has a long term strategy to deliver increased value for shareholders by expanding our footprint to 330 stores, whilst growing ecommerce operations, sales to business customers and driving our fine wine offer.

During the current financial year the Group's focus will be on the investments necessary to support and deliver this strategy. A large amount has been achieved so far yet more needs to be done to ensure that Majestic is well positioned to take advantage of its opportunities for future growth. As previously announced the cost of these investments in the short term means that we now envisage flatter profit growth in the 2015 financial year. The Board expects a subsequent return to further profit growth from 2016 as we benefit from our strategic investment programme.

Phil Wrigley
Chairman
16 June 2014

Strategic Report

Business Model

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

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

Our Strategy

Majestic has a clearly defined growth strategy which has not changed and has four key components; the continuing growth of sales through our core estate coupled with its expansion, growing sales to business customers, increasing ecommerce traffic and developing sales of fine wine.

- New store rollout
  Currently we operate from 206 stores and see the potential to increase the Majestic store footprint to 330 stores nationwide without undue cannibalisation of sales from neighbouring stores. The expansion is based on securing units of around 3,500 square feet with good car parking in prominent locations generally on main roads outside town centres.

- 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.

- Growing penetration of Ecommerce sales
  We have a clear competitive advantage as an online channel as we have both the brand and a national store network which enables us to simplify 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.

- Fine wine
  Consumers look to purchase more expensive wine mostly for celebrations, to entertain at home or simply to treat themselves. Majestic is well positioned to service this need with highly trained staff who have deep product knowledge. We leverage our buying strength to stock a focused range of well recognised names backed by a strong promotional programme.

Review of Operations

I am able to report that the Group achieved an increase in profit before tax of £0.1m to £23.8m whilst total Group sales increased by 1.4% to £278.2m.

Majestic Wine Warehouses

Profit before interest and tax increased by 4.2% to £21.4m with sales growing by £7.2m to £255.7m. The average bottle price of still wine purchased at Majestic rose to £7.94, up from £7.56 last year whilst average spend per transaction increased by £1 to £129. We achieved an increase in the number of active customers who made purchases in the last twelve months to 643,000, up 2.9% on last year.

Market

The market in which we operate remains very competitive and is dominated by the large supermarkets. The market has declined slightly in volume terms over each of the last three years although it has continued to grow modestly in value. This growth is inflationary driven by cost increases primarily in alcohol duties which have risen from £1.81 per bottle three years ago to £2.05 at the time of writing this report. In addition native cost prices have been rising around the world as harvests were weaker due to poor weather combined with rising demand particularly in the Far East. Our share of this market as measured by Nielsen has increased by 0.1% to 4.2% over the past year to the end of March 2014, which demonstrates our ability to hold share.

Product

We are committed to stocking an extensive range of interesting wines in real depth at each of our locations. Our range gives us a competitive advantage and secures our position as the leading wine specialist of scale in the UK.

We have an experienced buying team acknowledged as being amongst the best in our industry. They are responsible for ensuring that our range is creative and competitive by sourcing wines of high quality at the very best prices. We work hard to ensure that we continue to interest and delight our customers by constantly evolving the range and by the acquisition of interesting parcels of wine.

Customer Service

Our store teams take great pride in delivering exceptional customer service that goes beyond expectations. This is the cornerstone of our proposition and is what most notably stands us apart from the competition.

We believe that maintaining this strong customer service ethos is essential to our continued success. In order to meet this requirement we continue to recruit and retain high quality staff, primarily at graduate level. We have developed a comprehensive training programme that incorporates courses on management skills, customer service and product knowledge. We believe that our staff should have the opportunity to taste the wines that they recommend to their customers. We train our staff how to taste wine and have an extensive schedule of tasting events, often hosted by the winemakers themselves.

Customer Engagement

We understand that we need to work hard to promote loyalty from our customers keeping them engaged with our brand whilst encouraging them to further their knowledge and enjoyment of wine.

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 53,000, up 9,000 on last year.

We are currently working on a number of projects that will help us better understand and improve engagement with our customers. We have appointed a new customer relationship management agency to enable us to enhance and personalise our communications with our customers. We are intensively analysing our data to understand better how customers interact with us across the entire multichannel offering. This will give us more opportunity to better target our customers with wine information that best suits them. Additional investment has been set aside to enable us to develop and further drive our multichannel offering.

New stores
We continue to make good progress with our store opening programme and were delighted that we opened our 200th store in Petersfield last Autumn. We have opened in a further twelve new locations during the financial year in Havant, Lytham St Annes, Durham, Grantham, Maidenhead, Lichfield, Lewes, Cheadle Hulme, Tenterden, a second store in Nottingham, Ilkley and Kettering. In addition we resited our store in north Leeds.

Since the end of the financial year we have opened in Leighton Buzzard and Hexham giving us 206 stores in the UK. We continue to see the opportunity to increase the Majestic retail estate to around 330 locations nationwide.

In order to support our expansion we have invested in a new Head Office located near to the previous office in Watford. We have also secured a new Distribution Centre in Hemel Hempstead. We successfully relocated the Head Office at the end of May 2014 and are planning to be fully operational in the new distribution facility by the end of June 2014. These enlarged central facilities provide the capacity to handle the significant volume increase expected from the future growth of our entire multichannel offering.

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. We have developed a compelling proposition demonstrating real authority in the marketplace. The business leverages the store network enabling us to hold extensive stocks close to our customers and 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 a range of 44 wines that are exclusive to our business proposition and we are delighted that the strength of the range was recognised with the award of House Wine Merchant of the Year at the Sommelier Wine Awards 2014.

We have seen another year of rapid growth from this channel and sales have increased by 20.6% to £37.3m. We believe that there are good opportunities to drive for further market share gains and to facilitate this we continue to invest in increasing the size of our Commercial sales team.

Ecommerce
Online sales achieved growth of 5.8% on the previous year and now represent 11.4% of total UK retail sales. Compared with previous years, the rate of growth has slowed reflecting a significantly more competitive landscape for wine online with new entrants coming to the market. The number of orders processed increased 4.9% to 245,000 and the average transaction value online was £135, up from £134 last year.

We understand the importance of having a strong online presence to the future growth of the company. In the previous financial year we decided to invest in improving our infrastructure to handle expected future growth from the online channel. We were pleased that we successfully launched the third generation of our website on a new stable and flexible platform during the Summer of 2013. The new site delivers a much enhanced customer experience including an improved click and collect proposition. Enhanced functionality now enables us to display local stock availability which gives customers a greater range to choose from and improves our operational efficiency. The consumer is moving much more towards mobile technology and the new site is better optimised to handle this traffic.

The online marketplace is very complex and changing rapidly. We have a robust website whose architecture now allows us to quickly make enhancements. We are investing further in our ecommerce in-house design and development competences to accelerate the rate of change made to the site. We will soon introduce a new multichannel customer relationship management programme and make improvements to product ratings and reviews as well as guided selling. Further development into our mobile site will commence shortly.

Fine Wine

During Summer of 2013 period we enhanced our fine wine range allowing us to increase focus on names that are easily recognised by consumers. The new range has been supported by a strong price mechanic. Sales of still wine priced at £20 per bottle and above grew 19.7% to £18.7m.

Lay & Wheeler

This business delivered profit before interest and tax of £1.0m down from the £1.7m recorded in the previous financial year. The reason for the decline in profitability is that in the previous year sales from the successful Bordeaux 2010 vintage were recognised in the accounts as the wines were delivered to customers. Subsequent vintages have seen a lower level of consumer demand reflecting their slightly lower quality. As a result we anticipate that profitability from this business will remain at its current level until another strong Bordeaux en primeur vintage is seen.

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 decreased marginally £0.1m to £1.5m with like for like sales on a constant currency basis declining 5.7%. The business is well suited to consumers organising large events where savings can be considerable as we guarantee a minimum £2 per bottle differential to our UK retail prices with many at £3 less. Customers are encouraged to pre-order either online or by telephone and together these accounted for 41% of sales.

Future Prospects
We believe that Majestic with its differentiated model based on exceptional customer service and clearly defined strategy of new store roll-out, growing business sales, increased ecommerce traffic and higher fine wine sales has good prospects for future growth.

We have made solid progress in a difficult trading environment, launching our new website, continuing with our store expansion plan, selecting a new customer relationship management agency and strengthening our senior management team. We have also acquired new head office and distribution facilities.

There is however more to be done to best position the Company to generate further value for shareholders. We are currently analysing our customer data in real depth to better understand how they interact across our multichannel offering. We are increasing our in-house design and development capabilities to facilitate quicker deployment of improvements to our website.

As a result of the cost of the increased investments the Group is making and continuing subdued market conditions the Board is expecting a flatter growth profile for the 2015 financial year. We anticipate a subsequent return to growth following the successful implementation of our infrastructure investments which the Board believes will equip us well for long term growth.

Steve Lewis
Chief Executive
16 June 2014

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.

- 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, the diversity and quantity of stock at each location, provision of dedicated car parking and wine expertise.
- 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.
- 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.
- As a drinks retailer the Group operates in a market that is regulated most notably by way of licences to sell alcohol. 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.
- The Group imports product from suppliers located abroad and is therefore exposed to risk from fluctuations in foreign currency exchange rates. Forward currency contracts are purchased to mitigate foreign currency exposures.
- 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. 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.

Financial Review

Trading
Total sales generated by the Group increased by 1.4% to £278.2m with UK retail like for like sales declining 0.1%. Profit before tax at £23.8m was up £0.1m on the previous year. Gross margin has increased 0.2% to 23.0% from a continued reduction in lower margin wholesale activities. Distribution costs increased £2.5m to £26.8m mostly from the ongoing rollout of the store estate. We achieved a reduction in administrative expenses of £1.0m to £14.1m mostly from a lower level of accrual for variable remuneration to the executive and senior management teams. Net margin at 8.5% was 0.1% lower than last year.

Taxation
The effective rate of corporation tax in 2014 was 25.9% (2013: 26.8%) compared with the main rate at 23.0% (2012: 24.0%). Majestic has certain items of expenditure mostly relating to share based payments that are non-deductible for tax purposes. In addition, the Group has an excess of depreciation over capital allowances as certain assets are non-qualifying. The Group has also recalculated deferred tax balances to be in line with the expected new lower corporation tax rate of 20.0% which is expected to take effect from April 2015. We have recalculated to this lower rate because the majority of the deferred tax balances are expected to reverse after the forthcoming financial year.

Earnings per share
Basic earnings per share for the year at 27.0p were 0.1p higher than in the previous year (2013: 26.9p). Diluted earnings per share for the year at 26.6p were in line with the previous year (2013: 26.6p).

Dividend
The Board is proposing a final dividend for 2014 of 11.8 pence per share. Together with the interim dividend of 4.2 pence paid to shareholders on 4 January 2014, this would make a total dividend for the financial year of 16.0 pence per share, an increase of 0.2p over the prior year. The total dividend is 1.68 times covered by profit after tax (2013: 1.68 times).

Subject to shareholders' approval at the Annual General Meeting on 7 August 2014, the final dividend will be payable on 15 August 2014, to shareholders on the register on 18 July 2014.

Cash flow and net debt
Group cash flows generated from operations were £23.6m, down from £27.9m in the previous year. This reduction in operating cash flow arises from the timing of Easter. The last two working days of the previous financial year were Bank Holidays which meant that certain month end payments to suppliers were delayed into the current financial year.

Capital expenditure in the year decreased to £10.3m from £12.5m as the previous financial year included £2.1m for the acquisition of the long leasehold for our new head office facility which we occupied in May 2014.

Dividends paid by the Group to shareholders increased £0.2m to £10.4m whilst the level of cash received on the exercise of share options fell to £1.2m from £3.0m in the previous year.

Group tax payments totaling £5.5m were made during the year down from £6.4m previously.

The Group had net funds of £1.8m at 31 March 2014 compared with £2.9m at the end of the previous financial year.

Liquidity and funding

The Group maintains liquidity by arranging facilities to finance its seasonal working capital requirements and new store opening programme. The amount available under these uncommitted facilities varies though the year from £5.0m to £17.5m matching the Group's funding requirements. They are reviewed annually and have no expiry date. At 31 March 2014 the Group had undrawn short term borrowing facilities of £2.1m.

Financial Position

The Group continues to be in a strong financial position and remains strongly cash generative enabling the expansion of the business from its existing resources.

By Order of the Board

Nigel Alldritt ACMA
Finance Director and Company Secretary

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16 June 2014

Registered in England and Wales
No. 2281640

Group Income Statement
For the year ended 31 March 2014

	Note	52 weeks to 31.03.14 £000	52 weeks to 01.04.13 £000
Revenue	3	**278,157**	274,424
Cost of sales		**(214,119)**	(211,973)
Gross profit		**64,038**	62,451
Distribution costs		**(26,814)**	(24,344)
Administrative costs		**(14,088)**	(15,082)
Other operating income		**751**	786
Profit before finance costs and taxation	3	**23,887**	23,811
Finance revenue		**30**	13
Finance costs		**(157)**	(144)
Profit before taxation		**23,760**	23,680
UK income tax	4	**(5,673)**	(5,832)
Overseas income tax	4	**(485)**	(519)
Profit for the year		**17,602**	17,329
Earnings per share			
Basic	5	**27.0p**	26.9p
Diluted	5	**26.6p**	26.6p
Total dividend per share for the year	6	**16.0p**	15.8p

Group Statement of Comprehensive Income
For the year ended 31 March 2014

	52 weeks to 31.03.14 £000	52 weeks to 01.04.13 £000
Profit for the year	**17,602**	17,329
Other comprehensive income:		
Exchange difference on translation of foreign operations which may be reclassified to income statement	**(120)**	65
Other comprehensive income for the year, net of tax	**(120)**	65
Total comprehensive income for the year	**17,482**	17,394

Group Statement of Changes in Equity

For the year ended 31 March 2014

	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 Share-holders' Funds £000
At 2 April 2012	4,764	15,403	(572)	363	2,143	54,364	76,465
Profit for the year	-	-	-	-	-	17,329	17,329
Other comprehensive income:							
Foreign exchange differences	-	-	-	-	65	-	65
Total comprehensive income for the year	-	-	-	-	65	17,329	17,394
Share issue	114	2,927	-	-	-	-	3,041
ESOT share issue	8	413	(233)	-	-	(188)	-
Shares vesting under deferred bonus scheme	-	-	288	-	-	(288)	-
Transfer to shareholders' funds – employee costs expected to be satisfied in shares	-	-	-	-	-	713	713
Tax credit on employee share options	-	-	-	-	-	374	374
Equity dividends paid	-	-	-	-	-	(10,175)	(10,175)
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	36	1,164	-	-	-	-	1,200
Shares vesting under deferred bonus scheme	-	-	287	-	-	(287)	-
Transfer to shareholders' funds – employee costs expected to be satisfied in shares	-	-	-	-	-	52	52
Tax debit on employee share options	-	-	-	-	-	(85)	(85)
Equity dividends paid	-	-	-	-	-	(10,431)	(10,431)
At 31 March 2014	**4,922**	**19,907**	**(230)**	**363**	**2,088**	**68,980**	**96,030**

Group Balance Sheet
As at 31 March 2014

	Note	31.03.14 £000	01.04.13 £000
Non current assets			
Goodwill and intangible assets		**9,106**	9,101
Property, plant and equipment		**71,682**	67,642
En primeur purchases	7	**1,487**	1,529
Prepaid operating lease costs		**2,145**	1,998
Deferred tax assets		**645**	1,249
		85,065	81,519
Current assets			
Inventories		**54,761**	51,306
Trade and other receivables		**7,945**	8,515
En primeur purchases	7	**1,883**	2,894
Financial instruments at fair value		**-**	38
Cash and cash equivalents		**5,587**	4,947
		70,176	67,700
Total assets		**155,241**	149,219
Current liabilities			
Trade and other payables		**(44,510)**	(48,469)
En primeur deferred income	7	**(2,448)**	(3,686)
Bank overdraft		**(3,808)**	(2,059)
Provisions		**(397)**	(322)
Deferred lease inducements		**(414)**	(216)
Financial instruments at fair value		**(161)**	(161)
Current tax liabilities		**(2,412)**	(2,092)
		(54,150)	(57,005)
Non current liabilities			
En primeur deferred income	7	**(1,676)**	(1,757)
Provisions		**(39)**	(323)
Deferred lease inducements		**(2,573)**	(1,373)
Deferred tax liabilities		**(773)**	(949)
Total liabilities		**(59,211)**	(61,407)
Net assets		**96,030**	87,812
Shareholders' equity			
Called up share capital		**4,922**	4,886
Share premium account		**19,907**	18,743
Capital reserve – own shares		**(230)**	(517)
Capital redemption reserve		**363**	363
Currency translation reserve		**2,088**	2,208
Retained earnings		**68,980**	62,129
Equity shareholders' funds		**96,030**	87,812

Group Cash Flow Statement
For the year ended 31 March 2014

	Notes	52 weeks to 31.03.14 £000	52 weeks to 01.04.13 £000
Cash flows from operating activities			
Cash generated by operations	8a	**23,649**	27,868
UK income tax paid		**(4,891)**	(5,843)
Overseas income tax paid		**(604)**	(570)
Net cash generated by operating activities		**18,154**	21,455
Cash flows from investing activities			
Interest received		**30**	13
Purchase of non current assets		**(10,267)**	(12,496)
Receipts from sales of non current assets		**440**	45
Net cash utilised by investing activities		**(9,797)**	(12,438)
Cash inflow before financing		**8,357**	9,017
Cash flows from financing activities			
Interest paid		**(183)**	(144)
Issue of Ordinary Share capital		**1,200**	3,041
Equity dividends paid		**(10,431)**	(10,175)
Net cash used by financing activities		**(9,414)**	(7,278)
Net increase/(decrease) in cash and cash equivalents		**(1,057)**	1,739
Cash and cash equivalents at beginning of year		**2,888**	1,131
Effect of foreign exchange differences		**(52)**	18
Cash and cash equivalents at end of year	8b	**1,779**	2,888

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.

2. Basis of preparation

The final results for the year ended 31 March 2014 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and are in line with the accounting policies set out in the financial statements for the year ended 1 April 2013. The financial year represents the 52 weeks to 31 March 2014 and the prior financial year, 52 weeks to 1 April 2013. 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 2013. 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 13 – Fair Value Measurement
- IAS1 – Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income (Amendments)
- IAS 19 – Employee Benefits (Revised)
- IFRS 7 Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments)
- Improvements to IFRSs 2009-2011

The financial information in the final statement of results does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006. The financial information for the year ended 31 March 2014 has been extracted from the statutory accounts on which an unqualified audit opinion has been issued. Statutory accounts for the year ended 31 March 2014 will be delivered to the Registrar of Companies following the Company's Annual General Meeting.

The financial statements of Majestic Wine PLC for the year ended 31 March 2014 were authorised for issue by the Board of Directors on 13 June 2014 and the balance sheet was signed on behalf of the Board by Phil Wrigley.

The statutory accounts have been delivered to the Registrar of Companies in respect of the year ended 1 April 2013 and the Auditors of the Company made a report thereon under Section 495 of the Companies Act 2006. That report was an unqualified report and did not contain a statement under Section 498(2) or (3) of the Companies Act 2006.

3. 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 when product on delivery to the customer 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.

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 31 March 2014 and 1 April 2013. All activities are continuing.

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 in en primeur profit deferred to future periods	-	266	-	-	-	266
Reported operating result	21,430	1,001	1,456	-	-	23,887
Finance revenue	-	-	-	30	-	30
Finance costs	-	-	-	(157)	-	(157)
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

Segment analysis 2013

	Majestic Wine Warehouses £000	Lay & Wheeler £000	Majestic Wine Calais £000	Unallocated £000	Eliminated £000	Group £000
Third party revenue	248,541	11,568	8,579	-	-	268,688
Inter-segment revenue	-	405	-	-	(405)	-
Segment revenue	248,541	11,973	8,579	-	(405)	268,688
Movement in en primeur sales deferred to future periods	-	5,736	-	-	-	5,736
Reported third party revenue	248,541	17,709	8,579	-	(405)	274,424
Segment result	20,560	694	1,559	-	-	22,813
Movement in en primeur profit deferred to future periods	-	998	-	-	-	998
Reported operating result	20,560	1,692	1,559	-	-	23,811
Finance revenue	-	-	-	13	-	13
Finance costs	-	-	-	(144)	-	(144)
Profit/(loss) before tax	20,560	1,692	1,559	(131)	-	23,680
Income tax expense	-	-	-	(6,351)	-	(6,351)
Profit/(loss) for the year	20,560	1,692	1,559	(6,482)	-	17,329
Segment assets	125,229	18,652	6,489	1,249	(2,400)	149,219
Segment liabilities	(76,048)	(9,849)	(1,902)	(3,041)	29,433	(61,407)
Other segment items:						
Purchase of non current assets	12,446	39	11	-	-	12,496
Depreciation, amortisation and impairment	4,496	366	47	-	-	4,909
Share based payments	692	21	-	-	-	713

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.

4. Taxation

a) Taxation charge

	52 weeks to 31.04.14 £000	52 weeks to 01.04.13 £000
Current income tax expense:		
UK income tax	**5,497**	5,779
Overseas income tax on subsidiary undertaking	**485**	519
Adjustment in respect of previous year	**18**	(7)
Total current income tax expense	**6,000**	6,291
UK deferred tax expense:		
Origination and reversal of temporary differences	**242**	74
Adjustment in respect of prior years	**(50)**	(5)
Change in tax rate on prior year balances	**(34)**	(9)
Total deferred tax debit	**158**	60
Total income tax expense charged in the income statement	**6,158**	6,351

b) Taxation reconciliation

	52 weeks to 31.03.14 £000	52 weeks to 01.04.13 £000
Profit before tax	**23,760**	23,680
Taxation at the standard UK corporation tax rate of 23% (2013: 24%)	**5,465**	5,683
Adjustments in respect of prior years	**(32)**	(12)
Overseas income tax at higher rates	**149**	137
Non-deductible expenses	**620**	564
Income not taxable	**(10)**	(12)
Change in tax rate on prior year balances	**(34)**	(9)
Total income tax expense charged in the income statement	**6,158**	6,351
Effective tax rate	**25.9%**	26.8%

c) Tax on items credited to equity

	52 weeks to 31.03.14 £000	52 weeks to 01.04.13 £000
Current tax credit on share based payments	**(185)**	(805)
Deferred tax debit on share based payments	**270**	431
Total tax on items debited/(credited) to equity	**85**	(374)

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 2 April 2012	37	281	838	1,156	(365)	791
Credited/(debited) to the income statement	115	(47)	(143)	(75)	15	(60)
Credited/(debited) to equity	-	30	(461)	(431)	-	(431)
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)**

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:

	2014 £000	2013 £000
Deferred tax assets	**645**	1,249
Deferred tax liabilities	**(773)**	(949)
	(128)	300

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% (2013: 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.

During the year the government reduced the UK corporation tax rate to 21% from 1 April 2014 and to 20% from 1 April 2015, which were substantively enacted on 2 July 2013.

5. 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 53,969 (2013: 115,914) held by the Employee Share Ownership Trust, 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 80,104 (2013: 46,465) Ordinary Shares have not been included in the dilutive earnings per share calculation because they are anti dilutive at the period end.

Underlying earnings per share is calculated by excluding the effect of last year's impairment of goodwill. This alternative measure of earnings per share is presented to reflect the Group's underlying trading performance.

	2014	2013
Weighted average number of shares	**65,285,028**	64,459,974
Dilutive potential Ordinary Shares:		
Employee share options	**810,417**	771,996
Total number of shares for calculating diluted earnings per share	**66,095,445**	65,231,970

	52 weeks to 31.03.14 £000	52 weeks to 01.04.13 £000
Profit for the financial year attributable to equity shareholders of the parent	**17,602**	17,329

	2014	2013
Basic earnings	**27.0p**	26.9p
Dilutive earnings	**26.6p**	26.6p

6. Dividend

A final dividend of 11.8 pence net on each Ordinary Share will be payable on 15 August 2014 to shareholders on the register on 18 July 2014.

7. En Primeur

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

	31.03.14 **£000**	01.04.13 £000
En primeur purchases included in non current assets	**1,487**	1,529
En primeur purchases included in current assets	**1,883**	2,894
Total en primeur purchases	**3,370**	4,423
En primeur deferred income included in current liabilities	**(2,448)**	(3,686)
En primeur deferred income included in non current liabilities	**(1,676)**	(1,757)
Total en primeur deferred income	**(4,124)**	(5,443)
Net en primeur balance	**(754)**	(1,020)

b) Movement in en primeur balances

	52 weeks to **31.03.14** **£000**	52 weeks to 01.04.13 £000
Net en primeur balance at beginning of period	**(1,020)**	(2,018)
Movement in en primeur balance	**266**	998
Net en primeur balance at end of period	**(754)**	(1,020)

8. Notes to the Group cash flow statement

a) Reconciliation of profit to cash generated by operations

	52 weeks to 31.03.14 £000	52 weeks to 01.04.13 £000
Cash flows from operating activities		
Profit for the year	**17,602**	17,329
Adjustments to reconcile profit for the year to cash generated by operations:		
Income tax expense	**6,158**	6,351
Net finance cost	**127**	131
Amortisation, impairment and depreciation	**5,530**	4,909
Loss on disposal on non current assets	**37**	16
(Increase)/decrease in inventories	**(3,455)**	150
Decrease/(increase) in trade and other receivables	**570**	(1,660)
(Decrease)/increase in trade and other payables	**(3,933)**	1,122
Movement in en primeur balances	**(266)**	(998)
Increase in deferred lease inducements	**1,398**	357
Change in the fair value of derivative instruments	**38**	(318)
Decrease in provisions	**(209)**	(234)
Share based payments	**52**	713
Cash generated by operations	**23,649**	27,868

b) Cash and cash equivalents

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

	31.03.14 £000	01.04.13 £000
Cash and cash equivalents per Group balance sheet	**5,587**	4,947
Bank overdraft per Group balance sheet	**(3,808)**	(2,059)
Cash and cash equivalents per cash flow statement	**1,779**	2,888

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

	31.03.14 £000	01.04.13 £000
Net (decrease)/increase in cash and cash equivalents	**(1,057)**	1,739
Effect of foreign exchange differences	**(52)**	18
Movement in net funds	**(1,109)**	1,757
Net funds at beginning of year	**2,888**	1,131
Net funds at end of year	**1,779**	2,888