

Naked Wines Prepayments Trustee Company Limited

Annual report and financial statements

for the year ended 31 December 2014

Registered number: 6748474



Naked Wines Prepayments Trustee Company Limited

Annual report and financial statements for the year ended 31 December 2014

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Naked Wines Prepayments Trustee Company Limited

Directors and advisers

Directors

E Fitzgerald

R Gormley

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

3 St James Court

Whitefriars

Norwich

NR3 1RJ

Bankers

Barclays Bank PLC

Luton George Street

Leicestershire

LE87 2BB

Registered office

The Loft

Holland Court

The Close

Norwich

Norfolk

NR1 4DY

Naked Wines Prepayments Trustee Company Limited

Strategic report

The director's present their Strategic report for the year ended 31 December 2014.

Review of the business

The principle activity of the company is that of a depository for cash advances from customers (known as Angels) of www.nakedwines.com. This cash is used to purchase stocks directly or via loans to a fellow group company, www.nakedwines.com. The company began to purchase stock itself from 1 October 2014, and commenced trading on the same date.

The results for the year ended 31 December 2014 are set out in the financial statements. The directors are satisfied with the performance of the business, with turnover of £8,301,000 (2013: nil). Net liabilities as at 31 December 2014 were £4 (2013: nil).

Principal risks and uncertainties

The directors continually review and evaluate the risks that the company is facing. The principal risks and uncertainties facing the company are:

Stocks risk

The company holds a substantial amount of wine stocks in all stages of production. This wine could be subject to spoiling if mishandled, loss in transit or impacted by natural disasters. The company mitigates these risks by carrying insurance cover against these risks. Wine may not meet the quality standards the company sets, in which case the company makes use of alternative channels to market to ensure all costs incurred have been recovered.

Currency risk

The costs of the company are subject to currency risk given its global operations. The company may sometimes choose to forward buy currency where there is a significant period between a purchase commitment and expected payment dates. The company had no forward contracts in place as at 31 December 2014.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by ensuring stocks are held commensurate to likely demand based on the lifecycle of our Angels, and by having a large number of Angels providing funds reducing the risk of a significant proportion being withdrawn at any one time. Furthermore the company's ultimate parent company guarantees Angels' funds, so in the event of any liquidity risk becoming apparent, Angels' funds remain protected.

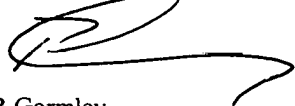
Key performance indicators ("KPIs")

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

Future developments

As www.nakedwines.com Limited continues to expand we anticipate increasing levels of Angels' funds will be held on account, and increasing levels of stocks will be purchased. This increased scale will result in an increasing number of wines and winemakers supplying the company, and increased Angels providing funds.

On behalf of the Board



R Gormley
Director

15 May 2015

Naked Wines Prepayments Trustee Company Limited

Directors' report

The directors present their Director's report and the audited financial statements of the company for the year ended 31 December 2014.

Results and dividends

The loss for the period after taxation amounted to £4,000 (2013: £nil). The directors do not recommend a dividend.

Events after the balance sheet date

Subsequent to the balance sheet date, on 10 April 2015, the entire issued share capital of Naked Wines International (the company's intermediate parent undertaking) was acquired by Majestic Wine Plc. The primary impact to the company of this transaction was that WIV Wein International AG was replaced by Majestic Wine Plc as guarantor of Angel balances. The transaction should ensure continued access to funding for the company and delivers commercial benefits, such as access to Majestic stores in the UK for a "click and collect" service, and a new set of buying relationships providing better access to wines from regions like Burgundy and Bordeaux.

Going concern

The company has received financing from group companies to support the small losses arising due to administrative expenses incurred. As a consequence, the company has obtained a letter of support from its immediate parent undertaking, www.nakedwines.com Limited, that it will continue to provide finance as necessary for the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of its financial statements. Based on this the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who held have office since incorporation and up to the date of signing the financial statements are given below:

E Fitzgerald
R Gormley

Statement of directors' responsibilities

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

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

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

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

Naked Wines Prepayments Trustee Company Limited

Directors' report (continued)

Disclosure of information to the auditors

So far as each director is aware, there is no relevant audit information of which the company's auditors are unaware. Each director has taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of this information.

On behalf of the Board

R Gormley
Director

15 May 2015

A handwritten signature in black ink, appearing to be 'R Gormley', written over a horizontal line.

Naked Wines Prepayments Trustee Company Limited

Independent auditors' report to the members of Naked Wines Prepayments Trustee Company Limited

Report on the financial statements

Our opinion

In our opinion, Naked Wines Prepayments Trustee Company Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

Naked Wines Prepayments Trustee Company Limited's financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Naked Wines Prepayments Trustee Company Limited

Independent auditors' report to the members of Naked Wines Prepayments Trustee Company Limited (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of directors' responsibilities set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

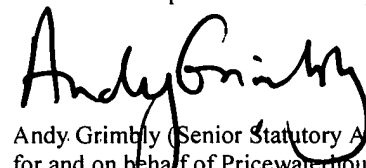
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual report and financial statements 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.


Andy Grimby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Norwich
18 May 2015

Naked Wines Prepayments Trustee Company Limited

Profit and loss account for the year ended 31 December 2014

	Note	2014 £'000	2013 £'000
Turnover		8,301	-
Cost of sales		(8,301)	-
Gross result	4	-	-
Administrative expenses		(4)	-
Loss on ordinary activities before taxation		(4)	-
Tax on loss on ordinary activities	5	-	-
Loss for the financial year	10,11	(4)	-

The above results are derived entirely from continuing operations.

The company has no recognised gains or losses other than the results for the year as set out above.

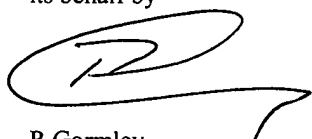
There is no material difference between the loss on ordinary activities before taxation and the loss for the year stated above and their historical cost equivalents.

Naked Wines Prepayments Trustee Company Limited

Balance sheet as at 31 December 2014

	Note	2014 £'000	2013 £'000
Current assets			
Stocks	6	1,461	-
Debtors	7	2,690	1,702
Cash at bank and in hand		1,396	2,160
		5,547	3,862
Creditors: amounts falling due within one year	8	(5,551)	(3,862)
Net current liabilities and net liabilities		(4)	-
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account	10	(4)	-
Total shareholders' deficit	11	(4)	-

The financial statements on pages 8 to 13 were approved by the board of directors on 15 May 2015 and signed on its behalf by



R Gormley
Director

Registered No: 6748474

Naked Wines Prepayments Trustee Company Limited

Notes to the financial statements for the year ended 31 December 2014

1. Accounting policies

General information

The company is a subsidiary of www.nakedwines.com Limited, and is a private limited company incorporated in the United Kingdom. The company is domiciled in the United Kingdom.

Basis of preparation

The financial statements are prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies, which have been applied consistently, are set out below.

Going concern

The company has received financing from group companies to support the small losses arising due to administrative expenses incurred. As a consequence, the company has obtained a letter of support from its immediate parent undertaking, www.nakedwines.com Limited, that it will continue to provide finance as necessary for the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of its financial statements. Based on this the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Statement of cash flows

The company, being a subsidiary undertaking within a group whose group financial statements are publicly available, is exempt from the requirement to draw up a statement of cash flows in accordance with the Financial Reporting Standard ("FRS") 1, 'Cash Flow Statements'.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, VAT and other sales taxes and duty. Revenue is recognised from the sale of goods to www.nakedwines.com Limited when the significant risks and rewards of ownership of the goods have passed to the buyer, usually immediately prior to dispatch of the goods to a customer.

Foreign currencies

Foreign exchange differences are taken to the profit and loss account in the period in which they arise.

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Angel's funds

Amounts paid over by Angels each month are credited into their individual Angel accounts, which are held on the balance sheet as Angels' funds held on account within creditors.

Related party transactions

The company has taken advantage of the exemption in FRS 8, 'Related Party Disclosures', from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

2. Turnover

The directors are of the opinion that the company has only one class of business. All turnover is derived from sales to www.nakedwines.com Limited. The directors are of the opinion that disclosure of turnover by geographical area would be seriously prejudicial to the interests of the company, so this has not been presented.

Naked Wines Prepayments Trustee Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

3. Directors' emoluments

None of the directors (2013: none) receive remuneration in respect of services to the company. There are no other employees other than the directors (2013: nil).

4. Operating result

	2014 £'000	2013 £'000
Operating result is stated after charging/(crediting):		
Services provided by the company's auditor		
- Fees payable for the audit	3	-
- Fees payable for other services – taxation compliance	1	-
- Fees payable for other services – taxation advisory services	-	-

5. Tax on loss on ordinary activities

(a) Analysis of tax charge in the year

	2014 £'000	2013 £'000
Current tax		
UK corporation tax on loss on ordinary activities	-	-

(b) Factors affecting the tax charge in the year

The tax charge for the year differs from the standard rate of corporation tax in the UK of 21.50%. The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before taxation	(4)	-
Loss on ordinary activities multiplied by rate of tax at 21.50%	(1)	-
Effects of:		
Group relief surrendered without payment	1	-
Current tax charge for the year (note 5a)	-	-

Naked Wines Prepayments Trustee Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

5. Tax on loss on ordinary activities (continued)

(c) Factors affecting future tax charge

In March 2013, the Chancellor of the Exchequer stated his intention to reduce the main rate of corporation tax to 20% from 1 April 2015. This reduction was substantively enacted for accounting purposes at the balance sheet date.

6. Stocks

	2014 £'000	2013 £'000
Finished goods	1,461	-
	1,461	-

The replacement cost of stocks does not differ materially from the numbers disclosed above.

7. Debtors

	2014 £'000	2013 £'000
Amounts owed by group undertakings	646	1,702
Prepayments and accrued income	2,044	-
	2,690	1,702

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

8. Creditors: amounts falling due within one year

	2014 £'000	2013 £'000
Trade creditors	568	-
Angels' funds held on account	4,954	3,862
Accruals and deferred income	29	-
	5,551	3,862

Angels' funds held on account are repayable on demand and are subject to a guarantee by the ultimate parent company.

Naked Wines Prepayments Trustee Company Limited

Notes to the financial statements for the year ended 31 December 2014 (continued)

9. Called up share capital

	2014	2013
	£'000	£'000
Allotted and fully paid:		
1 (2013: 1) Ordinary share of £1	-	-

10. Profit and loss account

	£'000
At 1 January 2014	-
Loss for the financial year	(4)
At 31 December 2014	(4)

11. Reconciliation of movements in shareholders' deficit

	2014
	£'000
Opening shareholders' funds	-
Loss for the financial year	(4)
Closing shareholders' deficit	(4)

12. Ultimate controlling party

The immediate parent undertaking is www.nakedwines.com Limited, a company incorporated in England and Wales. Copies of its financial statements are available from Naked Wines International Limited, The Loft, Holland Court, The Close, Norwich, Norfolk, NR1 4DY.

At 31 December 2014 the ultimate parent undertaking and controlling party was WIV Wein International AG, incorporated in Germany.

The largest and smallest group undertakings for which consolidated financial statements are prepared to include the results of the company are headed by WIV Wein International AG, which are available from WIV Wein International AG, Rummelsheimer Str, 55452 Burg Layen bei Bingen Am Rhein, Germany. WIV Wein International AG is the only company to consolidate the company's financial statements.

13. Events after the balance sheet date

Subsequent to the balance sheet date, on 10 April 2015, the entire issued share capital of Naked Wines International (the company's intermediate parent undertaking) was acquired by Majestic Wine Plc. The primary impact to the company of this transaction was that WIV Wein International AG was replaced by Majestic Wine Plc as guarantor of Angel balances.