

Registered number: 07859647 (England and Wales)

**Annual report and financial statements
for the year ended 1 April 2019**

Naked Wines International Limited

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Naked Wines International Limited
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For the year ended 1 April 2019

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Naked Wines International Limited
Company information
For the year ended 1 April 2019

Directors:

J Crawford
N Devlin

Company secretary:

A Iapichino

Registered office:

Norvic House,
Chapel Field Road,
Norwich,
NR2 1RPH

Registered number:

07859647 (England and Wales)

Auditor:

Deloitte LLP
Statutory Auditor
3 Victoria Square
Victoria Street
St Albans
AL1 3TF
United Kingdom

The directors present their strategic report for the year ended 1 April 2019.

Review of the business

The principal activity of the Company is that of a holding company, which invests in its subsidiaries to develop the Naked Wines business around the world. The Company's financial reporting year represents the 52 weeks to 1 April 2019. The prior financial year was for 52 weeks to 2 April 2018.

Risk management

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

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.

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 having a long-term funding arrangement with its parent and securing other financing in particular from funds deposited by customers.

Brexit

In 2016, we identified the UK's decision to leave the European Union as having had some immediate impact on our results as a consequence of the effect on currency markets.

As the UK Government continues its negotiations, uncertainty remains as to the extent to which our operations and financial performance will be affected in the longer term. At a group and business level, we have continued to prepare for changes in legislation, trade agreements and working practices in order to take advantage of the changing commercial landscape and to mitigate risk.

Approved and authorised by order of the Board:


.....
J Crawford
Director

Date: 12 December 2019

Naked Wines International Limited
Directors' report
For the year ended 1 April 2019

Registered number 07859647

The Directors present their annual report with the audited financial statements of the Company for the year ended 1 April 2019.

Directors

The directors who served during the year and subsequent to the year end, unless otherwise stated were:

J Crawford

N Devlin appointed 25 June 2019

E Fitzgerald resigned 24 June 2019

Dividends

No dividends were proposed or paid during the current and prior years.

Future developments

The directors expect the general level of activity to remain consistent with 2019 in the forthcoming year.

Going concern

The Company has obtained a letter of support from its ultimate parent undertaking, Naked Wines plc, 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 following the date of approval of these financial statements. As such, the directors, at the time of approving the financial statements, 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 annual report and financial statements.

Directors' liabilities

The Company's ultimate parent, Majestic Group plc, maintains indemnity to all directors of its subsidiaries against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

Events since the balance sheet

On 13 August 2019, the parent company, Majestic Wine plc changed its name to Naked Wines plc.

There were no post balance sheet events that have a material impact on the financial position and performance of the Company.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

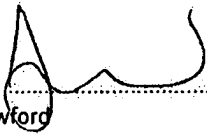
- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that 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.

Reappointment of the auditor

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Deloitte LLP as auditor of the Company.

Approved and authorised by order of the Board:


.....
J Crawford
Director

Date: 12 December 2019

Naked Wines International Limited
Directors' responsibilities statement
For the year ended 1 April 2019

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Naked Wines International Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 1 April 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

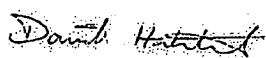
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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



13/12/2019

David Halstead (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St. Albans, United Kingdom

Naked Wines International Limited
Statement of comprehensive Income
For the year ended 1 April 2019


		2019 £'000	2018 £'000
	Notes		
Administrative expenses		(2,246)	(3,317)
Operating loss		(2,246)	(3,317)
Loss before tax	3	(2,246)	(3,317)
Taxation	5	824	647
Loss for the year		(1,422)	(2,670)
Other comprehensive income			
Total comprehensive loss for the year		(1,422)	(2,670)

Revenue and operating profit are all derived from continuing operations

Naked Wines International Limited
Balance sheet
As at 1 April 2019

	Notes	2019 £'000	2018 £'000
Non-current assets			
Deferred tax asset	6	99	257
Investment in subsidiaries	7	120	120
		219	377
Current assets			
Debtors	8	25,361	17,776
Cash and cash equivalents		7	8
		25,368	17,784
Current liabilities			
Creditors: amounts falling due with one year	9	(16,605)	(8,112)
Net current assets		8,763	9,672
Net assets		8,982	10,049
Capital and reserves			
Share capital	10	117	117
Share premium	10	33,623	33,623
Profit and loss account		(24,758)	(23,691)
Equity shareholders' funds		8,982	10,049

The financial statements were approved by the Board on 12 December 2019 and signed on its behalf by:


J Crawford
Director
Company No: 07859647

Naked Wines International Limited
Statement of changes in equity
For the year ended 1 April 2019

	Notes	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
At 3 April 2017		117	33,623	(21,198)	12,542
Loss for the year		-	-	(2,670)	(2,670)
Total comprehensive loss for the year		-	-	(2,670)	(2,670)
Transactions with owners:					
Transfer to shareholder's funds – employee costs expected to be satisfied in shares		-	-	153	153
Tax credit on employee share options	5	-	-	24	24
Total transactions with owners		-	-	177	177
At 2 April 2018		117	33,623	(23,691)	10,049
Loss for the year		-	-	(1,422)	(1,422)
Total comprehensive loss for the year		-	-	(1,422)	(1,422)
Transactions with owners:					
Transfer to shareholder's funds – employee costs expected to be satisfied in shares		-	-	424	424
Tax charge on employee share options	5	-	-	(69)	(69)
Total transactions with owners		-	-	355	355
At 1 April 2019		117	33,623	(24,758)	8,982

1. General information

Naked Wines International Limited ("the Company") is a private limited company by shares and incorporated in the United Kingdom under the Companies Act 2006 (registration number 07859647). The Company is domiciled in the United Kingdom and is registered in England and Wales. The address of the Company's registered address is Norvic House, Chapel Field Road, Norwich, NR2 1RPH. The Company is ultimately controlled by its immediate parent, Naked Wines plc (formerly Majestic Wine plc), which is registered in the United Kingdom. Copies of the financial statements of Majestic Wine PLC Group for the year to 1 April 2019 can be obtained from the Company at the registered address.

The principal activity of the Company is that of a holding company, which invests in its subsidiaries to develop the Naked Wine business franchise around the world.

2. Accounting policies

Authorisation of financial statements and statement of compliance

The financial statements of Naked Wines International Limited have been prepared in compliance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and in accordance with the applicable accounting standards.

Basis of preparation

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 1 April 2019. The Company has taken advantage of the following disclosure exemptions under FRS 101:

- (a) the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share based Payment;
- (b) the requirements of IFRS 7 Financial Instruments: Disclosures;
- (c) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- (d) The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - i. paragraph 79(a)(iv) of IAS 1;
 - ii. the requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- (e) the requirements of IAS 7 Statement of Cash Flows;
- (f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- (g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- (h) the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- (i) the requirements of paragraphs 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets

The financial statements have been prepared under the historical cost convention.

The financial year represents the 52 weeks to 1 April 2019 and the prior financial year, 52 weeks to 2 April 2018. The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements because it is a wholly owned subsidiary of Naked Wines plc (formerly Majestic Wine plc) which prepares consolidated financial statements which are publicly available. Accordingly, these financial statements are those of the Company and not of its group.

2. Accounting policies (continued)

New standards, amendments and IFRIC interpretations

In the current year, the Company has applied a number of amendments to IFRSs issued by the International Accounting Standard Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 April 2018. The Company adopted IFRS 9 "Financial Instruments" and IFRS 15 "Revenue from contracts with customers" for the first time this year. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Critical accounting judgements and key sources of estimation uncertainty.

In the process of applying the Company'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. The Directors also consider there to be no key sources of estimated uncertainty.

Significant accounting policies

The Company's accounting policies, as set out below have been consistently applied during the year.

Investment in subsidiaries

The Company recognises its investments in subsidiaries at cost less any provision for impairment.

Debtors

Trade and other debtors are initially measured at fair value and subsequently measured at amortised cost less any provision for impairment. A provision for impairment is established when based on an expected loss model.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits, with original maturities at inception of less than 90 days.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Interest-bearing bank loans and overdrafts are measured initially at fair value net of attributable arrangement costs, and subsequently at amortised cost, using the effective interest rate method.

Trade and other payables are recorded at fair value which is estimated to be equivalent to book value.

Equity instruments issued by the Company are recorded at the amount of the proceeds received, net of directly attributable issue costs.

Foreign currency transactions

Transactions 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 statement of comprehensive income for the year.

The Company financial statements are presented in sterling which is the Company's functional and presentational currency.

2. Accounting policies (continued)

Pensions

The Company 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 Company has no further payment obligations once the contributions have been paid.

Taxation

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

Current tax

Income tax is recognised in the statement of comprehensive income. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred taxation is accounted for in respect of temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit. Deferred tax is measured at the tax rates that are expected to apply in the periods in which the asset or liability is settled based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. It is recognised in the statement of comprehensive income except when it relates to items credited or charged directly to other comprehensive income, in which case the deferred tax is also recognised in equity.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised. Their carrying amount is reviewed at each balance sheet date on the same basis. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

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.

3. Loss before tax

The loss before tax is stated after (crediting)/charging:

	2019 £'000	2018 £'000
Net foreign currency (gain)/loss	(21)	672
Auditor's remuneration		
Audit of the financial statements	18	18

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated financial statements of Majestic Wine PLC Group. Audit fees were paid by Naked Wines plc (formerly Majestic Wine plc) and recharged as part of the management fees.

4. Staff costs

The average monthly number of employees during the year was as follows:

	2019 number	2018 number
Administrative and distribution	2	2

Employee benefit expenses consist of:

	2019 £'000	2018 £'000
Wages and salaries	176	256
Social security costs	12	16
Other pension costs	2	3
	190	275

Directors were not remunerated for their services to the Company.

5. Taxation

a) Tax on loss

The tax credit is made up as follows:

	2019 £'000	2018 £'000
<i>Current tax</i>		
UK corporation tax	(420)	(685)
Adjustment in respect of the previous year	(493)	-
Total current tax	(913)	(685)
<i>Deferred tax</i>		
Origination and reversal of the timing difference	76	38
Adjustment in respect of the previous years	13	-
	89	38
Tax on loss	(824)	(647)

b) Tax on items charged/(credited) to equity

The tax charge/(credit) is made up as follows:

	2019 £'000	2018 £'000
Deferred tax charge/(credit) on share based payments	69	(24)

5. Taxation continued

c) Factors affecting the tax charge

The tax assessed on the loss (2018: loss) for the year is higher (2018: higher) than the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are reconciled below.

The main UK corporation tax rate will reduce from 19% to 17% in April 2020.

Deferred tax balances have been calculated to the substantively enacted rate at which they are expected to reverse.

	2019 £'000	2018 £'000
Loss before tax	(2,246)	(3,317)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(427)	(630)
Adjustment in respect of prior years	(480)	(68)
Non-deductible expenses	-	34
Change in tax rate on prior year balances	-	-
Share based payments	83	17
Total tax credit	(824)	(647)
Effective tax rate	36.7%	19.5%

6. Deferred taxation

Deferred tax assets and liabilities represent the amounts of income taxes recoverable and payable in the future arising from temporary differences that arise when the carrying value of the assets and liabilities differ between accounting and tax treatments. Deferred tax has been recognised on provisions and share options.

	Short term temporary differences £'000
At 3 April 2017	271
Charged to the statement of comprehensive income	(38)
Credited to equity	24
At 2 April 2018	257
Adjustment in respect of prior years	(13)
Charged to the statement of comprehensive income	(76)
Charged to equity	(69)
At 1 April 2019	99

7. Investment in subsidiaries

	2019
	£'000
At beginning and end of the year	120

The Company owns the following investments:

	Country of Incorporation	Registered address	Holding %
www.nakedwines.com Limited	United Kingdom	Norvic House, Chapel Field Road, Norwich, NR2 1RPH	100%
Naked Fine Wine Bonds plc	United Kingdom	Norvic House, Chapel Field Road, Norwich, NR2 1RPH	100%
Naked Wines Australia Pty Ltd	Australia	1 Queens Parade, Newport, NSW 2106, Australia	100%
Nakedwines.com, Inc	USA	222 Gateway Road West, Napa, CA 94558, USA	100%
Nakedwines.com Prepayments Protection Company, LLC	USA	222 Gateway Road West, Napa, CA 94558, USA	100%

All the shares held by the Company in the subsidiary undertakings are ordinary shares.

8. Debtors

	2019	2018
	£'000	£'000
Amounts due from group undertakings	25,359	17,280
Other debtors	2	496
	25,361	17,776

The amounts due from Group undertakings are financing in nature, have no fixed payment terms and are interest free.

9. Creditors: amounts falling due within one year

	2019	2018
	£'000	£'000
Amounts due to group undertakings	(16,511)	(7,815)
Accruals and other payables	(94)	(297)
	(16,605)	(8,112)

The amounts due to Group undertakings are financing in nature, have no fixed repayment terms, are interest free and are expected to be settled within one year.

10. Share capital and share premium account

	2019		2018	
	Number of shares	Value £'000	Number of shares	Value £'000
Authorised, allotted and fully paid				
Ordinary shares of £.001 each	116,817,619	117	116,817,619	117

There has been no change to the Company's authorised or allotted share capital during the year to 1 April 2019.

Share premium account

	£'000
At 2 April 2018 and 1 April 2019	33,623

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.

11. Share based payments

The total charge recognised in the Statement of comprehensive income in respect of share-based payments (including social security costs) is £408,000 (2018: £370,000) relating to share option schemes and share bonus payments under the Company's deferred bonus scheme.

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

1. The Majestic Wine PLC Long-Term Incentive Plan (LTIP) was adopted on 20 July 2016. The first grant of options under the rules of the scheme was made in July 2016. This scheme is unapproved.
2. The Majestic Wine Share Incentive Plan (SIP) was adopted on 20 July 2016. The first grant of shares under the rules of the scheme was in July 2017.
3. The Acquisition Related Share Schemes arose following the acquisition of Naked Wines on 10 April 2015. These schemes are unapproved.

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 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.

Share options were exercised on a regular basis throughout the year. The weighted average share price for options exercised during the year was £2.57 (2018: £3.39). The range of exercise prices for share options outstanding at the end of the year is between £nil and £5.405. The weighted average remaining contractual life is 1.35 years.

12. Ultimate parent company

The ultimate parent undertaking and controlling party is Naked Wines plc (formerly Majestic Wine plc) which is the parent undertaking of the smallest and largest group to consolidate these financial statements and is incorporated in the United Kingdom. Group Financial Statements are available upon request from Norvic House, Chapel Field Road, Norwich, NR2 1RPH, which is also the registered address of the largest and smallest undertakings.