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Company Registration No. 01844521 (England and Wales)

THREE CHOIRS VINEYARDS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



THREE CHOIRS VINEYARDS LIMITED

COMPANY INFORMATION

Directors

H B Shouler
T R R Shaw
S J Charnock
M H Fowke
N C D Ingham
W J Oldacre

Secretary

T R R Shaw

Company number

01844521

Registered office

Baldwins Farm
Newent
Gloucestershire
GL18 1LS

Auditors

Hazlewoods
Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

Business address

Baldwins Farm
Newent
Gloucestershire
GL18 1LS

Bankers

Barclays Bank plc
Britannia Warehouse
The Docks
Gloucester
GL1 2YJ

THREE CHOIRS VINEYARDS LIMITED

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THREE CHOIRS VINEYARDS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2000

The directors present their report and financial statements for the year ended 31 December 2000.

Principal activities

The principal activity of the company continued to be that of vineyard proprietors incorporating the production and sale of wine and ancillary products, accomodation and restaurant.

Directors

The following directors have held office since 1 January 2000:

H B Shouler
T R R Shaw
S J Charnock
M H Fowke
N C D Ingham
W J Oldacre

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	£1 ordinary shares of £ 1 each	
	31 December 2000	1 January 2000
S J Charnock	3,500	3,500
M H Fowke	2,000	2,000
N C D Ingham	2,000	2,000
W J Oldacre	15,000	15,000
T R R Shaw	-	-
H B Shouler	3,500	3,500

Auditors

Hazlewoods have expressed their willingness to continue in office.

THREE CHOIRS VINEYARDS LIMITED

DIRECTORS' REPORT (CONTINUED)

for the year ended 31 December 2000

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



H B Shouler

Director

10 April 2001

THREE CHOIRS VINEYARDS LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF THREE CHOIRS VINEYARDS LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hazlewoods
Chartered Accountants and Registered Auditors

10 April 2001

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

THREE CHOIRS VINEYARDS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2000

		2000	1999
	Notes	£	as restated £
Turnover		1,034,722	965,649
Cost of sales		(729,791)	(721,080)
Gross profit		<u>304,931</u>	<u>244,569</u>
Administrative expenses		(258,124)	(217,190)
Operating profit	2	<u>46,807</u>	<u>27,379</u>
Interest receivable and similar income		6,231	2,265
Interest payable and similar charges		(6,846)	(6,433)
Profit on ordinary activities before taxation		<u>46,192</u>	<u>23,211</u>
Tax on profit on ordinary activities	3	(777)	(458)
Profit on ordinary activities after taxation		<u>45,415</u>	<u>22,753</u>
Dividends	4	(15,125)	(9,075)
Retained profit for the year	11	<u><u>30,290</u></u>	<u><u>13,678</u></u>

THREE CHOIRS VINEYARDS LIMITED

BALANCE SHEET as at 31 December 2000

		2000		1999
	Notes	£	£	as restated £
Fixed assets				
Tangible assets	5	431,671		215,283
Current assets				
Stocks		512,143	493,485	
Debtors	6	196,267	201,909	
Cash at bank and in hand		13,203	265,954	
		<u>721,613</u>	<u>961,348</u>	
Creditors: amounts falling due within one year	7	<u>(242,152)</u>	<u>(283,269)</u>	
Net current assets		479,461		678,079
Total assets less current liabilities		<u>911,132</u>		<u>893,362</u>
Creditors: amounts falling due after more than one year	8	<u>(3,758)</u>		<u>(7,203)</u>
		<u>907,374</u>		<u>886,159</u>
Capital and reserves				
Called up share capital	10	60,500		60,500
Share premium account	11	786,693		786,693
Profit and loss account	11	60,181		38,966
Shareholders' funds		<u>907,374</u>		<u>886,159</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board on 10 April 2001



T R R Shaw
Director

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2000

1 Accounting policies

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention, adopting the following principal accounting policies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents the amounts excluding value added tax receivable during the year for goods and services supplied.

1.3 Tangible fixed assets and depreciation

Depreciation is calculated to write off the cost less estimated residual value of tangible assets over their estimated useful lives at the following rates:

Improvements to leasehold premises	0% on buildings/15% on furnishings of cost per annum
Plant and machinery	15% of cost per annum
Fixtures, fittings & equipment	15%-33% of cost per annum
Long term growing crops	10% of cost per annum

2 Operating profit

	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	64,608	47,713
Auditors' remuneration	4,000	4,000
Directors' emoluments	37,393	49,494
	<u> </u>	<u> </u>

3 Taxation

	2000	1999
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1999 - 21%)	777	458
	<u> </u>	<u> </u>

The company has estimated losses of £104,000 (1999 - £134,000) available for carry forward against future trading profits.

4 Dividends

	2000	1999
	£	£
Ordinary final proposed	15,125	9,075
	<u> </u>	<u> </u>

A dividend of 25 pence per share (1999: 15 pence per share) was proposed and subsequently paid on 1 June 2001.

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2000

5 Tangible fixed assets

	Improvement s to leasehold premises	Plant and machinery	Fixtures, fittings & equipment	Long term growing crops	Total
	£	£	£	£	£
Cost					
At 1 January 2000	66,904	339,252	84,097	104,348	594,601
Additions	244,851	25,204	3,650	7,291	280,996
At 31 December 2000	311,755	364,456	87,747	111,639	875,597
Depreciation					
At 1 January 2000	8,963	236,321	57,833	76,201	379,318
Charge for the year	18,023	31,684	8,039	6,862	64,608
At 31 December 2000	26,986	268,005	65,872	83,063	443,926
Net book value					
At 31 December 2000	284,769	96,451	21,875	28,576	431,671
At 31 December 1999	57,941	102,931	26,264	28,147	215,283

The net book value of tangible fixed assets includes £11,008 (1999 - £12,950) in respect of assets held under hire purchase and finance leases. The depreciation charge in respect of such assets amounted to £1,943 (1999 - £-) for the year.

6 Debtors

	2000 £	1999 £
Trade debtors	143,955	142,099
Other debtors	52,312	59,810
	196,267	201,909

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2000

7	Creditors: amounts falling due within one year	2000 £	1999 £
	Bank overdraft	-	37,472
	Net obligations under hire purchase contracts	3,445	5,966
	Trade creditors	134,439	157,514
	Corporation tax	777	-
	Other taxes and social security costs	30,406	38,454
	Directors' current accounts	3,074	3,074
	Other creditors	39,737	28,090
	Accruals and deferred income	15,149	12,699
	Proposed dividend	15,125	-
		<u>242,152</u>	<u>283,269</u>

8	Creditors: amounts falling due after more than one year	2000 £	1999 £
	Net obligations under hire purchase contracts	<u>3,758</u>	<u>7,203</u>

9 Pension costs

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

10	Share capital	2000 £	1999 £
	Authorised		
	100,000 £1 ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	60,500 £1 ordinary shares of £ 1 each	<u>60,500</u>	<u>60,500</u>

During 1997 4,000 £1 ordinary shares were issued at £14 per share. Consideration of £1.40 per share was received in 1997 with the balance of unpaid share calls due in 9 further equal annual instalments. The allotted unpaid element included in debtors is £42,000 (1999: £50,400).

Options were granted over 4,000 £1 ordinary shares during 1997 for a total consideration of £4. Approved options lapsed during the year on 2000 of the shares which were replaced with an equal number of unapproved options so that options remain on 4000 shares at the end of the year. These may be exercised between 7 and 10 years from the date granted at a price of £14 per share.

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2000

11 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2000 as previously reported	786,693	38,966
Prior year adjustment	-	(9,075)
Balance at 1 January 2000 as restated	786,693	29,891
Retained profit for the year	-	30,290
Balance at 31 December 2000	786,693	60,181

12 Financial commitments

At 31 December 2000 the company had annual commitments under non-cancellable operating leases as follows:

	2000	1999
	£	£
Expiry date:		
Within one year	-	937
Between two and five years	1,312	1,168
In over five years	35,000	35,000
	36,312	37,105

13 Related party transactions

During the year, rent of £35,000 (1999: £35,000) plus VAT was payable to the Three Choirs Settlement, a trust established for the children of S Charnock, a director. This rent was for use of the property from which the company operates. £20,562 inclusive of VAT was owed to the Settlement at the end of the year which has subsequently been paid.

Consultancy fees of £10,126 (1999: £10,252) were paid to H B Shouler. Consultancy fees of £40,000 were paid to Grape 2 Wine Limited a company controlled by N C D Ingham and M H Fowke.

During the year, the company made sales of £14,409 (1999: £25,732) to Grape 2 Wine Limited, a company controlled by M H Fowke and N C D Ingham. These sales represented wine and spritzer sales, storage charges and miscellaneous recharges.