

Company Registration No. 01844521 (England and Wales)

THREE CHOIRS VINEYARDS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001



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 (Died 11 Sep 2001)
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

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3
Profit and loss account	4
Statement of total recognised gains and losses	5
Balance sheet	6
Notes to the financial statements	7 - 10

THREE CHOIRS VINEYARDS LIMITED

DIRECTORS' REPORT

for the year ended 31 December 2001

The directors present their report and financial statements for the year ended 31 December 2001.

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, accommodation and restaurant.

Directors

The following directors have held office since 1 January 2001:

H B Shouler
T R R Shaw
S J Charnock
M H Fowke
N C D Ingham
W J Oldacre (Died 11 Sep 2001)

Directors' interests

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

	£1 ordinary shares of £ 1 each	
	31 December 2001	1 January 2001
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 (Died 11 Sep 2001)	-	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 2001

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

17 May 2002

THREE CHOIRS VINEYARDS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THREE CHOIRS VINEYARDS LIMITED

We have audited the financial statements of Three Choirs Vineyards Limited on pages 4 to 10 for the year ended 31 December 2001. These financial statements 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 herein.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Hazlewoods

Chartered Accountants
Registered Auditor

17 May 2002

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

THREE CHOIRS VINEYARDS LIMITED

PROFIT AND LOSS ACCOUNT for the year ended 31 December 2001

	Notes	2001 £	2000 £
Turnover	2	1,088,556	1,034,722
Cost of sales		(773,269)	(729,791)
Gross profit		315,287	304,931
Administrative expenses		(244,369)	(258,124)
Operating profit	3	70,918	46,807
Interest receivable and similar income		1,602	6,231
Interest payable and similar charges		(1,990)	(6,846)
Profit on ordinary activities before taxation		70,530	46,192
Tax on profit on ordinary activities	4	(150)	(777)
Profit on ordinary activities after taxation		70,380	45,415
Dividends		(21,150)	(15,125)
Retained profit for the year	11	49,230	30,290

THREE CHOIRS VINEYARDS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 December 2001

	2001	2000
	£	£
Profit for the financial year	70,380	45,415
Prior year adjustment	-	(9,075)
Total gains and losses recognised since last financial statements	<u>70,380</u>	<u>36,340</u>

THREE CHOIRS VINEYARDS LIMITED

BALANCE SHEET as at 31 December 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	5		418,329		431,671
Current assets					
Stocks		526,821		512,143	
Debtors	6	121,210		196,267	
Cash at bank and in hand		181,755		13,203	
			<u>829,786</u>	<u>721,613</u>	
Creditors: amounts falling due within one year	7	(151,511)		(242,152)	
Net current assets			678,275		479,461
Total assets less current liabilities			1,096,604		911,132
Creditors: amounts falling due after more than one year	8		-		(3,758)
			<u>1,096,604</u>		<u>907,374</u>
Capital and reserves					
Called up share capital	10		70,500		60,500
Share premium account	11		916,693		786,693
Profit and loss account	11		109,411		60,181
Shareholders' funds			<u>1,096,604</u>		<u>907,374</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 17 May 2002



T R R Shaw
Director

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2001

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 Turnover

In the year to 31 December 2001 5.20% (2000 - 7.70%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	60,954	64,608
Auditors' remuneration	4,200	4,000
Directors' emoluments	44,168	37,393
	<u>109,322</u>	<u>106,001</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2000 - 1).

4 Taxation

	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 10% (2000 - 20%)	160	777
Prior years		
U.K. corporation tax	(10)	-
	<u>150</u>	<u>777</u>

The company has estimated losses of £17,000 (2000 - £104,000) available for carry forward against future trading profits.

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2001

5 Tangible fixed assets

	Improvement s to leasehold premises	Plant and machinery	Fixtures, fittings & equipment	Long term growing crops	Total
	£	£	£	£	£
Cost					
At 1 January 2001	311,755	364,456	87,747	111,639	875,597
Additions	-	33,957	3,957	9,698	47,612
At 31 December 2001	311,755	398,413	91,704	121,337	923,209
Depreciation					
At 1 January 2001	26,986	268,005	65,872	83,063	443,926
Charge for the year	17,158	28,972	8,636	6,188	60,954
At 31 December 2001	44,144	296,977	74,508	89,251	504,880
Net book value					
At 31 December 2001	267,611	101,436	17,196	32,086	418,329
At 31 December 2000	284,769	96,451	21,875	28,576	431,671

The net book value of tangible fixed assets includes £9,065 (2000 - £11,008) in respect of assets held under hire purchase and finance leases. The depreciation charge in respect of such assets amounted to £1,943 (2000 - £1,943) for the year.

6 Debtors

	2001 £	2000 £
Trade debtors	75,444	143,955
Other debtors	45,766	52,312
	121,210	196,267

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2001

7	Creditors: amounts falling due within one year	2001 £	2000 £
	Net obligations under hire purchase contracts	3,736	3,445
	Trade creditors	55,502	134,439
	Corporation tax	160	777
	Other taxes and social security costs	33,921	30,406
	Other creditors	26,892	42,811
	Accruals and deferred income	10,150	15,149
	Proposed dividend	21,150	15,125
		<u>151,511</u>	<u>242,152</u>

8	Creditors: amounts falling due after more than one year	2001 £	2000 £
	Net obligations under hire purchase contracts	-	3,758
		<u>-</u>	<u>3,758</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	2001 £	2000 £
	Authorised		
	100,000 £1 ordinary shares of £ 1 each	<u>100,000</u>	<u>100,000</u>
	Allotted, called up and fully paid		
	70,500 £1 ordinary shares of £ 1 each	<u>70,500</u>	<u>60,500</u>

During the year the company issued 10,000 £1 ordinary shares for a consideration of £140,000.

11 Statement of movements on reserves

	Share premium account £	Profit and loss account £
Balance at 1 January 2001	786,693	60,181
Retained profit for the year	-	49,230
Premium on shares issued during the year	130,000	-
Balance at 31 December 2001	<u>916,693</u>	<u>109,411</u>

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the year ended 31 December 2001

12 Financial commitments

At 31 December 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 £	2000 £
Expiry date:		
Between two and five years	-	1,312
In over five years	35,000	35,000
	<u>35,000</u>	<u>36,312</u>

13 Control

The company is ultimately controlled by the directors as listed on page 1 of these financial statements.

14 Related party transactions

During the year, the company incurred rent of £35,000 (2000 : £35,000) from the Three Choirs Settlement, a trust established for the children of S Charnock, a director of the company. This rent was for the use of the premises from which the company operates.

During the year, the company incurred consultancy fees of £44,000 (2000 : £40,000) from Grape 2 Wine Limited, a company in which M H Fowke and N C D Ingham have a controlling interest. The company also made purchases of £9,018 (2000 : £Nil) from, and sales of £30,138 (2000 : £14,409) to, Grape 2 Wine Limited. As at the balance sheet date the net amount owed to Grape 2 Wine Limited by this company was £1,002 (2000 : £16,099).

During the year the company incurred consultancy fees of £10,000 (2000 : £10,126) from H B Shouler, a director of the company. At the balance sheet date, the company owed a total of £2,938 (2000 : £2,938), including VAT, to H B Shouler.