ROC

Company Registration No. 01844521 (England and Wales)

THREE CHOIRS VINEYARDS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2004



THREE CHOIRS VINEYARDS LIMITED

COMPANY INFORMATION

Directors	H B Shouler T R R Shaw S J Charnock M H Fowke N C D Ingham
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 2004

The directors present their report and financial statements for the year ended 31 December 2004.

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 2004:

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

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 December 2004	**1 January 2004**
S J Charnock	3,500	3,500
M H Fowke	2,000	2,000
N C D Ingham	2,000	2,000
H B Shouler	3,500	3,500
T R R Shaw	-	-

Auditors

Hazlewoods have expressed their willingness to continue in office.

THREE CHOIRS VINEYARDS LIMITED

DIRECTORS' REPORT (CONTINUED)
for the year ended 31 December 2004

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

6/5/05

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 2004. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out herein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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.

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 2004 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

6 May 2005

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

THREE CHOIRS VINEYARDS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2004

	Notes	2004 £	2003 £
Turnover		1,494,530	1,114,203
Cost of sales		(1,010,374)	(772,104)
Gross profit		484,156	342,099
Administrative expenses		(350,999)	(314,719)
Operating profit	2	133,157	27,380
Other interest receivable and similar income		4,622	3,214
Interest payable and similar charges		(1,247)	-
Profit on ordinary activities before taxation		136,532	30,594
Tax on profit on ordinary activities	3	(28,695)	(5,257)
Profit on ordinary activities after taxation		107,837	25,337
Dividends	4	(35,250)	(17,625)
Retained profit for the year	12	72,587	7,712

THREE CHOIRS VINEYARDS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2004

	2004 £	2003 £
Profit for the financial year	107,837	25,337
Prior year adjustment	-	(26,900)
Total gains and losses recognised since last financial statements	107,837	(1,563)

THREE CHOIRS VINEYARDS LIMITED

BALANCE SHEET
as at 31 December 2004

	Notes	2004 £	2004 £	2003 £	2003 £
Fixed assets					
Tangible assets	5		486,228		497,719
Current assets					
Stocks		539,504		512,198	
Debtors	6	162,088		99,798	
Cash at bank and in hand		258,866		148,004	
		960,458		760,000	
Creditors: amounts falling due within one year	7	(273,520)		(165,788)	
Net current assets			686,938		594,212
Total assets less current liabilities			1,173,166		1,091,931
Creditors: amounts falling due after more than one year	8		(8,648)		-
Provisions for liabilities and charges	9		(1,536)		(1,536)
			1,162,982		1,090,395
Capital and reserves					
Called up share capital	11		70,500		70,500
Share premium account	12		916,693		916,693
Profit and loss account	12		175,789		103,202
Shareholders' funds			1,162,982		1,090,395

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 June 2002).

The financial statements were approved by the Board on 6.5.05

T R R Shaw
Director

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

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 June 2002).

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:

Long term growing crops	10% of cost per annum
Improvement 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
Motor vehicles	25% of cost per annum

The building improvements have not been depreciated as it is the directors' policy to maintain all buildings in good repair. As a result any depreciation would be immaterial.

2 Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	61,104	74,065
Auditors' remuneration	4,100	4,100
Directors' emoluments	58,631	42,933

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2003- 1).

3 Taxation

	2004	2003
	£	£
U.K. current year taxation		
U.K. corporation tax at 19% (2003- 14%)	28,695	3,647
Deferred taxation	-	949
	28,695	4,596
Prior years		
U.K. corporation tax	-	74
Deferred taxation	-	587
	28,695	5,257

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2004

4 Dividends

	2004	2003
	£	£
Ordinary final proposed	35,250	17,625

The Board has recommended a dividend of 50p per share (2003: 25p per share).

5 Tangible fixed assets

	Long term growing crops	Improvement to leasehold premises	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2004	138,351	399,045	498,660	110,075	-	1,146,131
Additions	9,401	2,307	11,610	19,269	14,370	56,957
Disposals	-	-	(8,640)	-	-	(8,640)
At 31 December 2004	147,752	401,352	501,630	129,344	14,370	1,194,448
Depreciation						
At 1 January 2004	104,187	81,092	371,944	91,189	-	648,412
On disposals	-	-	(1,296)	-	-	(1,296)
Charge for the year	7,786	17,686	28,357	6,377	898	61,104
At 31 December 2004	111,973	98,778	399,005	97,566	898	708,220
Net book value						
At 31 December 2004	35,779	302,574	102,625	31,778	13,472	486,228
At 31 December 2003	34,164	317,953	126,716	18,886	-	497,719

The net book value of plant and machinery includes £13,472 (2003- £-) in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £898 (2003- £-) for the year.

6 Debtors

	2004	2003
	£	£
Trade debtors	149,492	72,232
Other debtors	12,596	27,566
	162,088	99,798

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2004

7 Creditors: amounts falling due within one year

	2004	2003
	£	£
Net obligations under hire purchase contracts	3,265	-
Trade creditors	98,240	74,116
Taxation and social security	75,963	41,031
Other creditors	96,052	50,641
	273,520	165,788

8 Creditors: amounts falling due after more than one year

	2004	2003
	£	£
Net obligations under hire purchase contracts	8,648	-

9 Provisions for liabilities and charges

	Deferred taxation
	£
Balance at 1 January 2004 and at 31 December 2004	1,536

Deferred taxation provided in the financial statements is as follows:

	Fully provided	
	2004	2003
	£	£
Accelerated capital allowances	1,536	1,536

10 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.

11 Share capital

	2004	2003
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
70,500 Ordinary shares of £1 each	70,500	70,500

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
for the year ended 31 December 2004

12 Statement of movements on reserves

	Share premium account	Profit and loss account
	£	£
Balance at 1 January 2004	916,693	103,202
Retained profit for the year	-	72,587
Balance at 31 December 2004	916,693	175,789

13 Financial commitments

At 31 December 2004 the company had annual commitments under non-cancellable operating leases as follows:

	2004	2003
	£	£
Expiry date:		
In over five years	38,500	35,000

14 Related party transactions

During the year, the company incurred rent of £38,500 (2003 : £35,000) from the Three Choirs Settlement, a trust established for the family 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 £22,000 (2003 : £22,000) from Grape 2 Wine Limited, a company in which N C D Ingham has a controlling interest.

During the year, the company incurred consultancy fees of £16,500 (2003: £NIL) from The Global Winery Limited, and £NIL (2003: £22,000) from Grape 2 Wine Limited. M H Fowke has a controlling interest in both these companies. In addition M H Fowke was paid £5,500 (2003: £NIL) for consultancy services.

During the year the company incurred consultancy fees of £10,000 (2003 : £10,000) from H B Shouler, a director of the company.