Company Registration No. 01844521 (England and Wales)

THREE CHOIRS VINEYARDS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

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THREE CHOIRS VINEYARDS LIMITED

COMPANY INFORMATION

Directors	H B Shouler T R R Shaw M H Fowke N C D Ingham K H Morley
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	Lloyds Bank Plc Ley Court, Barnett Way Gloucester GL4 3RT

THREE CHOIRS VINEYARDS LIMITED

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THREE CHOIRS VINEYARDS LIMITED

DIRECTORS' REPORT

For the year ended 31 December 2007

The directors present their report and financial statements for the year ended 31 December 2007

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 2007

H B Shouler
T R R Shaw
M H Fowke
N C D Ingham
K H Morley

Auditors
Hazlewoods LLP have expressed their willingness to continue in office

THREE CHOIRS VINEYARDS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2007

Directors' responsibilities

The directors are responsible for preparing 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) The financial statements are required by law to 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 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

Statement of disclosure to auditor

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have 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 that information

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
12 March 2008

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 for the year ended 31 December 2007 set out on pages 5 to 11 These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007)

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 auditors' 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland)

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) 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

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE SHAREHOLDERS OF THREE CHOIRS VINEYARDS LIMITED

Opinion

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

Hazlewoods

12 March 2008

Chartered Accountants
Registered Auditor

Windsor House
Barnett Way
Barnwood
Gloucester
Gloucestershire
GL4 3RT

THREE CHOIRS VINEYARDS LIMITED

PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2007

	Notes	2007 £	2006 £
Turnover		1,983,483	1,767,334
Cost of sales		(1,458,544)	(1,120,646)
Gross profit		524,939	646,688
Administrative expenses		(474,735)	(427,924)
Other operating income		3,250	3,250
Operating profit	2	53,454	222,014
Other interest receivable and similar income	3	6,231	4,056
Interest payable and similar charges		-	(1,114)
Profit on ordinary activities before taxation		59,685	224,956
Tax on profit on ordinary activities	4	(24,275)	(52,465)
Profit for the year	11	35,410	172,491

THREE CHOIRS VINEYARDS LIMITED

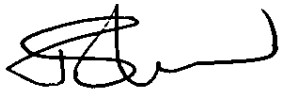
BALANCE SHEET

As at 31 December 2007

	Notes	2007 £	2007 £	2006 £	2006 £
Fixed assets					
Tangible assets	5		493,829		458,601
Current assets					
Stocks		527,781		697,381	
Debtors	6	186,916		221,884	
Cash at bank and in hand		356,520		164,983	
		1,071,217		1,084,248	
Creditors: amounts falling due within one year	7	(288,612)		(352,402)	
Net current assets			782,605		731,846
Total assets less current liabilities			1,276,434		1,190,447
Provisions for liabilities	8		(16,625)		(8,048)
			1,259,809		1,182,399
Capital and reserves					
Called up share capital	10		58,000		55,000
Share premium account	11		955,693		916,693
Other reserves	11		15,500		15,500
Profit and loss account	11		230,616		195,206
Shareholders' funds			1,259,809		1,182,399

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 January 2007)

Approved by the Board for issue on 12 March 2008



T R R Shaw
Director

THREE CHOIRS VINEYARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2007

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life (or the unexpired term of the lease, whichever is the shorter), as follows

Long term growing crops	10% of cost per annum
Improvement to leasehold premises	Over the shorter of the useful life of the asset or the remaining term of the lease
Plant and machinery	15% of cost per annum
Fixtures, fittings & equipment	15%-33% of cost per annum
Motor vehicles	25% of cost per annum

1.4 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to profit and loss account

2 Operating profit

	2007	2006
	£	£
Operating profit is stated after charging		
Depreciation of tangible assets	104,204	95,967
Auditors' remuneration	5,000	4,650
Directors' emoluments	63,761	68,766

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 1 (2006- 1)

3 Investment income

	2007	2006
	£	£
Bank interest	6,231	4,056

4	Taxation	2007	2006
		£	£
	Domestic current year tax		
	U K corporation tax	16,048	49,938
	Adjustment for prior years	(350)	(643)
	Current tax charge	15,698	49,295
	Deferred tax		
	Deferred tax charge/credit current year	8,577	3,170
		24,275	52,465

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 2007	169,345	401,352	591,719	161,620	14,370	1,338,406
Additions	3,000	9,911	45,479	92,356	-	150,746
Disposals	-	-	(24,497)	(96,427)	-	(120,924)
At 31 December 2007	172,345	411,263	612,701	157,549	14,370	1,368,228
Depreciation						
At 1 January 2007	139,985	142,334	475,626	113,776	8,084	879,805
On disposals	-	-	(21,933)	(87,677)	-	(109,610)
Charge for the year	9,130	28,511	44,782	18,188	3,593	104,204
At 31 December 2007	149,115	170,845	498,475	44,287	11,677	874,399
Net book value						
At 31 December 2007	23,230	240,418	114,226	113,262	2,693	493,829
At 31 December 2006	29,360	259,018	116,093	47,844	6,286	458,601

The net book value of plant and machinery includes £Nil (2006- £6,286) in respect of assets held under finance leases or hire purchase contracts The depreciation charge in respect of such assets amounted to £Nil (2006- £3,593) for the year

6 Debtors	2007 £	2006 £
Trade debtors	162,785	217,688
Other debtors	24,131	4,196
	186,916	221,884

7 Creditors: amounts falling due within one year	2007 £	2006 £
Net obligations under hire purchase contracts	-	5,382
Trade creditors	119,103	118,558
Taxation and social security	78,994	114,021
Other creditors	90,515	114,441
	288,612	352,402

8 **Provisions for liabilities and charges**

	Deferred tax liability £
Balance at 1 January 2007	8,048
Profit and loss account	8,577
Balance at 31 December 2007	16,625

The deferred tax liability is made up as follows:

	2007 £	2006 £
Accelerated capital allowances	16,625	8,048

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

Defined contribution

	2007	2006
	£	£
Contributions payable by the company for the year	4,308	4,074

10 Share capital

	2007	2006
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
Allotted, called up and fully paid		
58,000 Ordinary shares of £1 each	58,000	55,000

During the year, the company issued 3,000 shares to directors under the 1997 Share Option Scheme for total consideration of £42,000

Share options

The company operates a share option scheme by which employees, including directors, are able to acquire shares The Scheme was adopted on 16 July 2001

At 31 December 2007 a total of 4,000 share options had been granted to T R R Shaw under the 2001 Scheme at an exercise price of £14 per share Options are exercisable not earlier than seven years and not later than ten years after grant

11 Statement of movements on reserves

	Share premium account	Capital redemption reserve	Profit and loss account
	£	£	£
Balance at 1 January 2007	916,693	15,500	195,206
Profit for the year	-	-	35,410
Premium on shares issued during the year	39,000	-	-
Balance at 31 December 2007	955,693	15,500	230,616

12 Financial commitments

At 31 December 2007 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2008

	2007	2006
	£	£
Operating leases which expire		
In over five years	65,305	65,305

13 Capital commitments

	2007	2006
	£	£
At 31 December 2007 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	21,895	-

14 Related party transactions

During the year, the company incurred consultancy fees of £24,651 (2006 £24,146) from Grape 2 Wine Limited, a company in which N C D Ingham has a controlling interest At the balance sheet date the net amount owed to Grape 2 Wine Ltd was £Nil (2006 £Nil)

During the year, the company incurred consultancy fees of £28,208 (2006 £32,339) from The Global Winery Limited M H Fowke has a controlling interest in this company At the balance sheet date, the net amount owed to The Global Winery Limited was £2,379 (2006 £4,841)

During the year the company incurred consultancy fees of £10,000 (2006 £10,000) from H B Shouler and £5,000 (2006 £2,500) from K H Morley, both directors of the company