

Registration number 01844521

THREE CHOIRS VINEYARDS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012



THREE CHOIRS VINEYARDS LIMITED
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THREE CHOIRS VINEYARDS LIMITED
COMPANY INFORMATION

Directors	H B Shouler T R R Shaw M H Fowke K H Morley
Registered office	Baldwins Farm Newent Gloucestershire GL18 1LS
Bankers	Lloyds TSB Bank Plc Ley Court Barnett Way Gloucester GL4 3RT
Accountants	Hazlewoods LLP Chartered Accountants Windsor House Barnett Way Barnwood Gloucester GL4 3RT

THREE CHOIRS VINEYARDS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2012

The directors present their report and the financial statements for the year ended 31 December 2012

Principal activity

The principal activity of the company is that of vineyard proprietors incorporating the production and sale of wine and ancillary products, accommodation and restaurant

Directors of the company

The directors who held office during the year were as follows

H B Shouler

T R R Shaw

M H Fowke

K H Morley

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Approved by the Board on 10 April 2013 and signed on its behalf by



T R R Shaw
Director

THREE CHOIRS VINEYARDS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the directors' 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). 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 apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THREE CHOIRS VINEYARDS LIMITED

We have audited the financial statements of Three Choirs Vineyards Limited for the year ended 31 December 2012, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THREE CHOIRS VINEYARDS LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you 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, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime

Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Windsor House
Barnett Way
Barnwood
Gloucester
GL4 3RT

Date

THREE CHOIRS VINEYARDS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 £	2011 £
Turnover	2	1,875,303	1,891,992
Cost of sales		(1,372,685)	(1,381,120)
Gross profit		502,618	510,872
Administrative expenses		(460,170)	(476,917)
Other operating income		3,250	3,250
Operating profit	3	45,698	37,205
Other interest receivable and similar income		104	106
Interest payable and similar charges		(4,200)	(4,200)
Profit on ordinary activities before taxation		41,602	33,111
Tax on profit on ordinary activities	5	(17,935)	(10,462)
Profit for the financial year	13	23,667	22,649

THREE CHOIRS VINEYARDS LIMITED
(REGISTRATION NUMBER 01844521)
BALANCE SHEET
AS AT 31 DECEMBER 2012

	Note	2012 £	2011 £
Fixed assets			
Tangible fixed assets	6	630,056	771,297
Current assets			
Stocks		470,137	644,933
Debtors	7	202,962	112,066
Cash at bank and in hand		379,433	163,045
		1,052,532	920,044
Creditors Amounts falling due within one year	8	(280,959)	(282,359)
Net current assets		771,573	637,685
Total assets less current liabilities		1,401,629	1,408,982
Creditors Amounts falling due after more than one year	9	(2,624)	(23,954)
Provisions for liabilities	10	(64,949)	(74,640)
Net assets		1,334,056	1,310,388
Capital and reserves			
Called up share capital	11	58,000	58,000
Share premium account	13	955,693	955,693
Capital redemption reserve	13	15,500	15,500
Profit and loss account	13	304,863	281,195
Shareholders' funds		1,334,056	1,310,388

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board and authorised for issue on 10 April 2013 and signed on its behalf by



T R R Shaw
Director

THREE CHOIRS VINEYARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

Turnover

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

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). Freehold 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.

Asset class	Depreciation method and rate
Long term growing crops	10% of cost per annum
Improvement to leasehold properties	Over the remaining term of the lease
Plant, machinery and vehicles	10%-33% of cost per annum
Fixtures, fittings and equipment	15%-33% of cost per annum
Moveable cabins	5% of cost per annum

Stock

Stock is valued at the lower of cost and net realisable value. In the case of wine stocks an estimated overall production cost is used to reflect the various elements of producing the grapes and wine.

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

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 of exchange ruling at the date of the transaction. All differences are taken to the profit and loss account.

THREE CHOIRS VINEYARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest element of the rental obligation is charged to the profit and loss account over the period of the lease on a straight-line basis. Assets held under hire purchase agreements are capitalised as tangible fixed assets and are depreciated over the shorter of the lease term and their useful lives. The capital element of future finance payments is included within creditors. Finance charges are allocated to accounting periods over the length of the contract on a straight-line basis.

Pensions

The company operates a defined contribution pension scheme. Contributions are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

2 Turnover

During both the current and preceding years all of the company's turnover was attributable to the UK market.

3 Operating profit

Operating profit is stated after charging

	2012 £	2011 £
Auditor's remuneration - The audit of the company's annual accounts	5,750	5,750
Foreign currency losses	1,836	-
Depreciation of tangible fixed assets	<u>165,167</u>	<u>139,625</u>

4 Directors' remuneration

The directors' remuneration for the year was as follows

	2012 £	2011 £
Remuneration (including money purchase pension scheme contributions)	<u>72,201</u>	<u>71,526</u>

During the year the number of directors who were receiving benefits and share incentives was as follows

	2012 No.	2011 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

THREE CHOIRS VINEYARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

5 Taxation

Tax on profit on ordinary activities

	2012	2011
	£	£
Current tax		
Corporation tax charge	28,868	3,544
Adjustments in respect of previous years	<u>(1,242)</u>	<u>(39)</u>
UK Corporation tax	<u>27,626</u>	<u>3,505</u>
Deferred tax		
Origination and reversal of timing differences	(10,933)	12,022
Deferred tax adjustment relating to previous years	1,242	(1,872)
Effect of changes in tax rates	<u>-</u>	<u>(3,193)</u>
Total deferred tax	<u>(9,691)</u>	<u>6,957</u>
Total tax on profit on ordinary activities	<u><u>17,935</u></u>	<u><u>10,462</u></u>

THREE CHOIRS VINEYARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

6 Tangible fixed assets

	Long term growing crops £	Long leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Moveable cabins £	Total £
Cost or valuation						
At 1 January 2012	172,345	510,942	792,451	350,688	297,725	2,124,151
Additions	-	-	19,192	11,280	-	30,472
Disposals	-	-	-	(10,908)	-	(10,908)
At 31 December 2012	<u>172,345</u>	<u>510,942</u>	<u>811,643</u>	<u>351,060</u>	<u>297,725</u>	<u>2,143,715</u>
Depreciation						
At 1 January 2012	172,345	264,779	668,457	221,222	26,051	1,352,854
Charge for the year	-	61,737	50,101	38,444	14,886	165,168
Eliminated on disposals	-	-	-	(4,363)	-	(4,363)
At 31 December 2012	<u>172,345</u>	<u>326,516</u>	<u>718,558</u>	<u>255,303</u>	<u>40,937</u>	<u>1,513,659</u>
Net book value						
At 31 December 2012	<u>-</u>	<u>184,426</u>	<u>93,085</u>	<u>95,757</u>	<u>256,788</u>	<u>630,056</u>
At 31 December 2011	<u>-</u>	<u>246,163</u>	<u>123,994</u>	<u>129,466</u>	<u>271,674</u>	<u>771,297</u>

THREE CHOIRS VINEYARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Leased assets

Included within the net book value of tangible fixed assets is £20,255 (2011 - £45,930) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £17,493 (2011 - £19,129)

7 Debtors

	2012 £	2011 £
Trade debtors	133,339	111,466
Other debtors	69,623	600
	<u>202,962</u>	<u>112,066</u>

8 Creditors: Amounts falling due within one year

	2012 £	2011 £
Trade creditors	64,439	89,726
Obligations under finance lease and hire purchase contracts (secured - see note 9)	15,744	17,949
Corporation tax	29,011	4,930
Other taxes and social security	60,020	59,512
Other creditors	111,745	110,242
	<u>280,959</u>	<u>282,359</u>

9 Creditors: Amounts falling due after more than one year

	2012 £	2011 £
Obligations under finance lease and hire purchase contracts (secured - see below)	<u>2,624</u>	<u>23,954</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate

10 Provisions

	Deferred tax £	Total £
At 1 January 2012	74,640	74,640
Credited to the profit and loss account	(9,691)	(9,691)
At 31 December 2012	<u>64,949</u>	<u>64,949</u>

THREE CHOIRS VINEYARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	<u>64,949</u>	<u>74,640</u>

11 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No.	£	No.	£
Ordinary shares of £1 each	<u>58,000</u>	<u>58,000</u>	<u>58,000</u>	<u>58,000</u>

12 Dividends

	2012 £	2011 £
Dividends paid		
Current year interim dividend paid	<u>-</u>	<u>58,000</u>

13 Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2012	955,693	15,500	281,196	1,252,389
Profit for the year	<u>-</u>	<u>-</u>	<u>23,667</u>	<u>23,667</u>
At 31 December 2012	<u>955,693</u>	<u>15,500</u>	<u>304,863</u>	<u>1,276,056</u>

14 Pension schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £5,200 (2011 - £5,200).

Contributions totalling £nil (2011 - £nil) were payable to the schemes at the end of the year and are included in creditors.

THREE CHOIRS VINEYARDS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012

15 Commitments

Operating lease commitments

As at 31 December 2012 the company had annual commitments under non-cancellable operating leases as follows

Operating leases which expire

	2012 £	2011 £
Land and buildings		
Within two and five years	<u>77,877</u>	<u>77,877</u>
Other		
Within one year	-	2,991
Within two and five years	<u>5,620</u>	<u>410</u>
	<u>5,620</u>	<u>3,401</u>

16 Related party transactions

Other related party transactions

During the year the company made the following related party transactions

The Global Winery Limited

M H Fowke, a director of the company, has a controlling interest in The Global Winery Limited. During the year the company was invoiced by The Global Winery Limited for services provided by M H Fowke. The invoiced value of those services was £33,333 (2011 - £33,333). During the year the company made sales of £5,436 (2011 - £4,615) to The Global Winery Limited and purchased goods from that company amounting to £2,280 (2011 - £1,866). At the balance sheet date the amount due from The Global Winery Limited was £1,638 (2011 - £2,813 due to The Global Winery Limited).

17 Control

No individual or group holds a controlling interest in the company

THREE CHOIRS VINEYARDS LIMITED
DETAILED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2012

		2012		2011
	£	£	£	£
Turnover (analysed below)		1,875,303		1,891,992
Cost of sales (analysed below)		<u>(1,372,685)</u>		<u>(1,381,120)</u>
Gross profit		<u>502,618</u>		<u>510,872</u>
Gross profit (%)		26.80%		27.00%
Administrative expenses				
Employment costs (analysed below)	(275)		(2,602)	
Establishment costs (analysed below)	(190,906)		(180,058)	
General administrative expenses (analysed below)	(84,637)		(134,735)	
Finance charges (analysed below)	(19,185)		(19,897)	
Depreciation costs (analysed below)	<u>(165,167)</u>		<u>(139,625)</u>	
		(460,170)		(476,917)
Other operating income (analysed below)		3,250		3,250
Other interest receivable and similar income (analysed below)		104		106
Interest payable and similar charges (analysed below)		<u>(4,200)</u>		<u>(4,200)</u>
Profit on ordinary activities before taxation		<u><u>41,602</u></u>		<u><u>33,111</u></u>

THREE CHOIRS VINEYARDS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

	2012 £	2011 £
Turnover		
Trade wine sales	413,604	229,721
Shop wine sales	258,611	251,120
Beer making	75,147	73,039
Contract winemaking	315,238	445,842
Restaurant income	446,283	488,103
Cordial sales	9,598	18,561
Cartons/packaging sales	16,479	10,640
Tour income	26,284	34,653
Winery consumables	1,338	795
Sundry shop sales	41,887	44,367
Sundry income	13,671	9,328
Yeast sales	2,385	3,666
Accommodation income	224,247	236,856
Adopt-a-vine income	23,944	35,305
Unclaimed voucher income	6,587	9,996
	<u>1,875,303</u>	<u>1,891,992</u>
Cost of sales		
Opening stock	644,934	670,500
Commission	4,077	2,088
Vineyard sundries	9,842	6,029
Shop sundries	20,548	23,611
Yeast	2,832	3,566
Purchases	12,369	12,351
Restaurant	149,654	162,371
Non food shop expenses	20,304	23,581
Distribution	25,579	22,223
Chemicals	19,716	23,997
Closing stock	(465,262)	(644,934)
Wages and salaries	465,102	498,896
Staff NIC (Employers)	40,739	45,057
Directors remuneration	67,001	66,326
Directors pensions	5,200	5,200
Contract	51,409	50,288
Casual Labour	39,323	56,769
Consultancy	33,333	35,833
Packaging material	164,934	214,140
Winery consumables	43,375	55,817
Commissions payable	9,340	21,033
Testing and analysis costs	-	10,330
Plant repairs	8,336	16,048
	<u>1,372,685</u>	<u>1,381,120</u>
Employment costs		
Staff training	<u>275</u>	<u>2,602</u>

This page does not form part of the statutory financial statements

THREE CHOIRS VINEYARDS LIMITED**DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012****CONTINUED**

	2012 £	2011 £
Establishment costs		
Rent	77,876	71,234
Rates	28,463	22,422
Light, heat and power	45,929	42,894
Insurance	20,988	18,121
Repairs and maintenance	17,650	25,387
	<u>190,906</u>	<u>180,058</u>
General administrative expenses		
Telephone and fax	3,757	3,109
Printing, postage and stationery	11,815	15,111
Trade subscriptions	2,727	4,770
Hire of plant and machinery	16,968	17,095
Sundry expenses	6,435	9,673
Cleaning	31,176	30,051
Accountancy fees	(50)	1,140
Auditor's remuneration - The audit of the company's annual accounts	5,750	5,750
Legal and professional fees	27,425	10,596
Compensation receivable	(47,246)	-
Motor expenses	5,025	5,910
Advertising	19,375	30,902
Bad debts written off	1,480	628
	<u>84,637</u>	<u>134,735</u>
Finance charges		
Bank charges	17,349	19,897
Foreign currency (gains)/losses	1,836	-
	<u>19,185</u>	<u>19,897</u>
Depreciation costs		
Depreciation	<u>165,167</u>	<u>139,625</u>
Other operating income		
Rent receivable	<u>3,250</u>	<u>3,250</u>
	<u>3,250</u>	<u>3,250</u>
Other interest receivable and similar income		
Bank interest receivable	<u>104</u>	<u>106</u>
	<u>104</u>	<u>106</u>

This page does not form part of the statutory financial statements

THREE CHOIRS VINEYARDS LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2012

. CONTINUED

	2012 £	2011 £
Interest payable and similar charges		
Hire purchase interest	4,200	4,200
	<u>4,200</u>	<u>4,200</u>