RidgeView Estate Winery Limited

Financial Statements

For the period ended December 31 2000

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RidgeView Estate Winery Limited

Directors, officers and professional advisors

For the period ended December 31 2000

Directors	Christine Roberts Michael Roberts
Secretary and registered office	Michael Roberts Upper Furzefield, Fragbarrow Lane Ditchling Common Hassocks Sussex BN6 8TP
Accountants	Grant Thornton Lees House, 21 Dyke Road Brighton Sussex BN1 3GD
Bankers	NatWest Bank plc Haywards Heath Branch 1 Muster Green, Haywards Heath West Sussex, RH16 4ZS
Solicitors	Raingolds 107-111 Fleet Street London EC4A 2AB

RidgeView Estate Winery Limited

Director's report

For the period ended December 31 2000

Principal Activities

RidgeView Estate Winery Limited is developing and manages a wine estate concentrating on the production and sale of highest quality sparkling wine made and grown by methods traditional to Champagne. The company also provides oenological and viticultural supplies and general consulting services

Incorporation

The company, whose registered number is 3085921, was incorporated on July 31, 1995.

Share capital

In the year to December 31 2000 there were no changes to the share capital.

Directors and their interests

The directors throughout the period were:	Holding at 31/12/2000	Holding at ########
Christine Roberts	615001	615001
Michael Roberts	600001	615001

Results and dividends

The loss for the year was £27,889

This being the development phase of the new business, no dividend is recommended

Review of the business

This year has marked a significant point in our development with our first full year of sales and we have broken even befor depreciation. The results were in line with our long term forecasts and objectives and theresults therefore were as expected.

Future developments

In 2001 we will be spending considerable marketing effort into building further our trade selling capacity. We continue to invest in building stocks of finished maturing wine.

Statement of directors' responsibilites for the financial statements

Company law requires the directors to prepare financial statements for each period which give a true and fair view of the state of affairs of the company and of the profit and 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, for safeguarding the assets of the company and taking reasonable steps for the prevention and detection of fraud and other irregularities

Small company exemption

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

By Order of the Board

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M G Roberts
Secretary

RidgeView Estate Winery Limited

Accounting policies

For the period ended December 31 2000

Accounting convention

The financial statements have been prepared under the historical cost convention

The principal accounting policies of the company are set out below and have remained unchanged from the previous period

Turnover

Turnover is the total amount receivable by the company for work done and product sold in the ordinary course of business, including commissions and agency fees, less any trade discounts given and excluding VAT and customs duty levies.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Fixed assets

Depreciation is charged on assets at the following rates per annum;

Buildings and roadways	2% reducing balance
Vineyard plant	25% reducing balance
Winery plant	10% reducing balance
Office & laboratory equipment	20% reducing balance
Motor vehicles	25% reducing balance

Deferred Tax

Deferred tax will be provided under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Underprovided deferred tax is disclosed as a contingent liability.

Foreign currencies

Exchange gains or losses arising from transactions in foreign currencies are accounted for through the profit and loss account.

Leased assets

Where assets are leased through agreements that give risk and reward approximating to ownership (finance leases), they are to be treated as if they had been purchased outright on credit. They are initially recorded as a fixed asset and a liability at a sum equal to the fair value of the asset. Leasing payments on such assets are regarded as consisting of a capital element reducing the liability and an interest charge. All other leases are operating leases and the total payments to be made under such a lease are charged to profit and loss account on a straight line basis over the duration of the lease.

RidgeView Estate Winery Limited

Profit and loss account

For the period ended December 31 2000

	Note	2000 £	1999 £
Turnover	1	127,524	72,399
Duty on sales		26,596	17,531
Direct materials and services		46,413	46,499
Staff costs	2	51,241	38,823
Depreciation		25,564	30,874
Profit on disposal of car		(6,678)	0
Other operating charges		30,073	38,304
Costs transferred (to) from stock and work in process		(24,965)	(17,672)
Operating loss		(20,720)	(81,960)
Interest receivable		0	0
Interest payable	3	(7,169)	(2,187)
Loss on ordinary activities before taxation	1	(27,889)	(84,147)
Tax on loss on ordinary activities	4	0	0
Retained loss for the period	11	(27,889)	(84,147)
Retained loss brought forward		(691,070)	(606,923)
Retained loss carried forward		(718,959)	(691,070)

There were no recognised gains or losses other than the loss for the period

The accompanying accounting policies and notes form an integral part of these financial statements

RidgeView Estate Winery Limited

Balance sheet

For the period ended December 31 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible	5	462,636	491,153
		462,636	491,153
Current assets			
Stock and work in process	6	171,925	146,961
Debtors	7	7,129	5,486
Cash at bank and in hand		506	1,860
		179,560	154,307
Creditors: Amounts falling due within one year	8	41,621	19,300
Bank Overdraft		13,412	0
Net current assets		124,527	135,007
Total assets less current liabilities		587,163	626,160
Creditors: Amounts falling due after one year	9	56,120	67,228
Bank Loan			
Net Assets		531,043	558,932
Capital and reserves			
Called up share capital	10	1,250,002	1,250,002
Profit and loss account		(718,959)	(691,070)
Shareholders' funds	11	531,043	558,932

For the period ended December 31, 2000, the company was exempt from audit of its financial statements under subsection (1) of section 249A of the Companies Act 1985. No notice has been deposited by members under subsection (2) of section 249B calling for an audit in relation to these financial statements.
The financial statements have been prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies.

We acknowledge our responsibilities for:
- ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial period and of its loss for the financial period in accordance with the requirements of section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

The financial statements are draft and subject to approval by the board of directors on October 24th, 2001

Director — Christine Roberts

Director — Michael Roberts

The accompanying accounting policies and notes form an integral part of these financial statements

	2000	1999
6 Stock and work in process		
Finished stock	4,861	1,941
Value of work in process	161,131	145,020
Stock of materials	5,933	0
	171,925	146,961
7 Debtors	£	£
Trade debtors	5,584	3,456
Other debtors	177	177
VAT reclaimable	0	0
Prepayments and accrued income	1,368	1,853
	7,129	5,486
8 Creditors falling due within one year	£	£
Trade creditors	4,160	2,159
Social security and other taxes	3,392	685
VAT payable	7,417	1,933
Bank loan	10,698	2,772
Directors' current account	14,704	10,419
Other creditors and accruals	1,250	1,332
	41,621	19,300
9 Creditors falling due in more than one year	£	£
Bank loan from Nat West at variable rate repayable over 5 years		
Amounts due after one year before end of year two	13,934	11,763
Amounts due after two before five years	42,186	55,465
	56,120	67,228

10 Share capital

	Authorised		Allotted, called up and fully paid	
	Number	£	Number	£
The shares were issued as follows:				
Ordinary shares of £1 each at December 31, 1999	1500000	1,500,000	1250002	1,250,002
There were no issues during the year				
Ordinary shares of £1 each at December 31, 2000	1500000	1,500,000	1250002	1,250,002

11 Reconciliation of movements in shareholders funds

	2000	1999
Shareholders funds at December 31, 1999	558,932	643,079
Loss for the period	(27,889)	(84,147)
Shareholders funds at December 31, 2000	531,043	558,932

12 Capital commitments

The company had no capital commitments contracted for at December 31, 2000 nor December 31, 1999

13 Contingent liabilities

The company had no contingent liabilities at December 31, 2000

1 Turnover and loss on ordinary activities before taxation

The turnover and loss on ordinary activities arose wholly in the United Kingdom and are attributable to the company's principal activity as defined in the Report of Directors

2 Staff costs

	2000	1999
	£	£
Wages and salaries	44,129	31,917
Social sercurity	3,622	4,490
Sub contract and casual labour	3,490	2,416
	51,241	38,823
Average number employees during period	4.66	5.05
	£	£
Remuneration in respect of directors was:	10,237	22,384

3 Interest payable

	£	£
On bank loans and overdrafts repayable in 5 years	7,169	2,187
	7,169	2,187

4 Taxation

There is no tax charge for the period. The company has unrelieved tax losses of approximately **£700,000** which are availiable to be set against future profits from the same trade

5 Fixed assets

	Buildings and roadways	Vineyard plant	Winery plant	Office Laboratory fittings and equipment	Motor vehicles	Total £
Cost brought forward	395,024	53,626	194,948	5,558	44,147	693,302
Adjust prior year						
Additions	1,700	259	0	3,710	0	5,669
Disposal	0	0	0	0	(34,000)	(34,000)
Cost carried forward	396,724	53,885	194,948	9,268	10,147	664,971
Depreciation brought forward	61,840	38,477	67,267	3,054	31,512	202,150
Disposal					(25,378)	(25,378)
Charge for the period	6,698	3,852	12,768	1,243	1,003	25,564
Depreciation carried forward	68,538	42,329	80,035	4,297	7,137	202,336
Net book amount at December 31, 2000	328,186	11,556	114,912	4,971	3,010	462,636
Net book amount at December 31, 1999	333,184	15,149	127,680	2,503	12,635	491,153

RidgeView Estate Winery Limited

Detailed profit and loss account

For the period ended December 31 2000

			2000	1999
Turnover			£	£
Sales of wine				
Winemaking fees			100,928	54,868
Sales of supplies and materials				
Consulting fees				
			100,928	54,868
Operating costs	Vineyard	Winery		
Purchased Grapes		0	0	0
Bottles and packaging		14,006	14,006	22,414
Winemaking chemicals		0	0	27
Wine purchase		209	209	430
Rabbit protect	0		0	0
Prep / sub soil / ditching / drain repairs	0		0	340
Soil preparation	0		0	0
Planting	347		347	78
Mulching	0		0	250
Trellising	12		12	(205)
Wind break	0		0	5
Production supplies	7,162	4,146	11,307	2,417
Chemicals	3,099	114	3,213	2,411
Vehicle expense	9,094	130	9,224	9,332
Repairs and tools	3,292	2,809	6,101	3,988
Repairs	29	261	290	733
Tools and sundry equipment	0	0	0	985
Rates	0	0	0	0
Utilities	355	1,348	1,703	3,292
Direct materials and services	23,390	23,023	46,413	46,497
Direct Labour cost	47,751	0	47,751	36,407
Sub contract Labour costs	3,490	0	3,490	2,416
Staff costs	51,241	0	51,241	38,823
Travelling and subsistence	0	8,181	8,181	6,845
Training	0	216	216	56
Insurance	0	2,848	2,848	2,808
Professional fees	0	2,706	2,706	6,761
Telephone	0	3,138	3,138	3,127
Entertaining	0	244	244	28
Promotion	0	7,292	7,292	14,099
Stationery	0	3,964	3,964	1,481
Other expenes	0	0	0	101
Indirect materials and services	0	28,590	28,590	35,306
Depreciation of buildings and roadway	796	5,901	6,698	6,800
Depreciation of equipment	1,642	12,768	14,410	16,290
Depreciation motors cars	1,003	0	1,003	4,212
Profit on sale of car	(6,678)		(6,678)	
Depreciation of tractors and farm equip	2,210	0	2,210	2,947
Depreciation of computers	1,164	0	1,164	528
Depreciation other	66	12	78	98
Depreciation	204	18,682	18,886	30,874
Costs transferred (to) from stock and work in process			(24,965)	(17,672)
Amortisation of production asset			0	0
Total operating costs	74,836	70,294	120,165	133,830
Interest Received			0	0
Interest Paid			(7,169)	(2,187)
Bank and finance charges			(1,483)	(2,998)
Loss from ordinary activities before tax			(27,889)	(84,147)