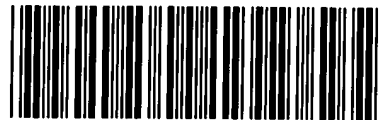


Registered number: 02233431

THE VINEYARD AT STOCKCROSS LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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COMPANIES HOUSE

THE VINEYARD AT STOCKCROSS LIMITED

COMPANY INFORMATION

| | |
|-----------------------------|----------------------------------------------------------------------------------------------------------------|
| DIRECTORS | Malcolm Morris Andrew McKenzie Bradley Wilkinson |
| REGISTERED NUMBER | 02233431 |
| REGISTERED OFFICE | 1 The Green Richmond Surrey TW9 1PL |
| INDEPENDENT AUDITORS | Feltons <i>Chartered Accountants and Statutory Auditors</i> 1 The Green Richmond Surrey TW9 1PL |
| BANKERS | HSBC Bank Plc 28 High Street Uxbridge Middlesex UB8 1BY |
| SOLICITORS | Irwin Mitchell Mercantile House 18 London Road Newbury Berkshire RG14 1JX |

THE VINEYARD AT STOCKCROSS LIMITED

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THE VINEYARD AT STOCKCROSS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

BUSINESS REVIEW

The Company is a five star luxury boutique hotel focused on providing high end wine and food whilst targeting both the business and leisure traveller. In addition to the hotel, the business operates an exclusive wine agent selling wines from small boutique estates located in California.

The continued investment and focus on marketing has seen the Vineyard brand strengthen with a view of long term increase in revenues.

The year to 31st December 2015 saw the financial position of the company improve despite increasing pressures on overheads and staffing costs.

2016 will see a continuation of the capital investment program which began in 2014/15. The refurbishment will concentrate on the upgrade of the Atrium and deluxe suites with the expectation to further increase revenues during the year.

PRINCIPAL RISKS AND UNCERTAINTIES

The company uses various financial instruments including cash, loans and items such as trade debtors and trade creditors that arise directly from its operations. The purpose of these financial instruments is to raise finance for the company's operations.

The risks arising from the company's financial instruments are currency risk, liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and these policies have remained unchanged from previous years.

Currency risk

The principal trading currency of the company is sterling. Certain purchases are made in US dollars and to minimise foreign exchange risk, the company operates a US bank account and prices the sale based on the US cost of purchase.

Liquidity risk

The company manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Interest rate risk

The company uses loans to finance the expansion and improvement of the facilities which in the long term improve profitability. Any interest rate risk is manageable through the cash assets. No interest is payable on inter company balances. The company's cash assets are all held in floating rate deposit accounts. Trade debtors and creditors do not attract interest.

Credit risk

The company's principal financial assets are cash and trade debtors. To manage trade debtor credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

This report was approved by the board and signed on its behalf.


Malcolm Morris
Director

Date: 25 SEPTEMBER, 2017

THE VINEYARD AT STOCKCROSS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

PRINCIPAL ACTIVITY

The principal activity of the Company was running a Hotel.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £122,875 (2015 - loss £244,513).

THE VINEYARD AT STOCKCROSS LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS

The directors who served during the year were:

Malcolm Morris
Andrew McKenzie
Bradley Wilkinson

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

The auditors, Feltons, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.


Malcolm Morris
Director

Date: 29 SEPTEMBER, 2017

THE VINEYARD AT STOCKCROSS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE VINEYARD AT STOCKCROSS LIMITED

We have audited the financial statements of The Vineyard at Stockcross Limited for the year ended 31 December 2016, set out on pages 6 to 22. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 DIRECTORS AND AUDITORS

As explained more fully in the Directors' responsibilities statement on page 2, 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 Financial Reporting Council'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 Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON 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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

THE VINEYARD AT STOCKCROSS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF THE VINEYARD AT STOCKCROSS LIMITED (CONTINUED)

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and the Directors' report.

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.



Richard Rhodes FCA (Senior Statutory Auditor)

for and on behalf of

Feltons

Chartered Accountants and Statutory Auditors

1 The Green

Richmond

Surrey

TW9 1PL

Date:

26/9/17

THE VINEYARD AT STOCKCROSS LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|-------------------------------------------------|------|---------------------|---------------------|
| Turnover | 4 | 5,685,206 | 5,617,186 |
| Cost of sales | | (1,356,533) | (1,385,434) |
| GROSS PROFIT | | 4,328,673 | 4,231,752 |
| Administrative expenses | | (4,829,823) | (4,852,894) |
| Other operating income | 5 | 446,877 | 462,129 |
| OPERATING LOSS | 6 | (54,273) | (159,013) |
| Interest payable and expenses | 9 | (68,602) | (85,500) |
| LOSS BEFORE TAX | | (122,875) | (244,513) |
| LOSS AFTER TAX | | (122,875) | (244,513) |
| Retained earnings at the beginning of the year | | (14,048,974) | (13,804,461) |
| Loss for the year | | (122,875) | (244,513) |
| RETAINED EARNINGS AT THE END OF THE YEAR | | (14,171,849) | (14,048,974) |

The notes on pages 8 to 22 form part of these financial statements.

THE VINEYARD AT STOCKCROSS LIMITED
REGISTERED NUMBER: 02233431

BALANCE SHEET
AS AT 31 DECEMBER 2016

| | Note | 2016 £ | 2015 £ |
|---------------------------------------------------------|------|----------------------------|----------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 11 | 12,357,540 | 11,998,351 |
| | | <u>12,357,540</u> | <u>11,998,351</u> |
| CURRENT ASSETS | | | |
| Stocks | 13 | 1,021,358 | 941,897 |
| Debtors: amounts falling due within one year | 14 | 1,151,274 | 1,059,194 |
| Cash at bank and in hand | 15 | 2,326 | 2,200 |
| | | <u>2,174,958</u> | <u>2,003,291</u> |
| Creditors: amounts falling due within one year | 16 | (22,855,865) | (23,170,489) |
| NET CURRENT LIABILITIES | | <u>(20,680,907)</u> | <u>(21,167,198)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(8,323,367)</u> | <u>(9,168,847)</u> |
| Creditors: amounts falling due after more than one year | 17 | (2,960,000) | (1,991,645) |
| NET LIABILITIES | | <u><u>(11,283,367)</u></u> | <u><u>(11,160,492)</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 20 | 2,867,895 | 2,867,895 |
| Share premium account | 21 | 20,587 | 20,587 |
| Profit and loss account | 21 | (14,171,849) | (14,048,974) |
| | | <u>(11,283,367)</u> | <u>(11,160,492)</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Malcolm Morris
Director

Date: 25 SEPTEMBER, 2017

The notes on pages 8 to 22 form part of these financial statements.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

The Vineyard at Stockcross Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act. The address of Company's principal place of business is: The Vineyard Hotel, Stockcross, Newbury, Berkshire, RG20 8JU.

The companies principle activity is set out in the directors report of these annual report and financial statements.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Stockford Limited as at 31 December 2016 and these financial statements may be obtained from 1 The Green, Richmond, Surrey, TW9 1PL.

2.3 GOING CONCERN

The financial statements have been prepared on a going concern basis. This basis presumes the continued and adequate financial support from the company's parent on which the company is dependant.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.5 TANGIBLE FIXED ASSETS (CONTINUED)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|---------------------|---|-------------------------|
| Freehold property | - | 0% straight line |
| Plant & machinery | - | 10% - 50% straight line |
| Motor vehicles | - | 25% straight line |
| Fixtures & fittings | - | 20% straight line |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

The condition and upkeep of the freehold property is carried out on a continuous basis by the company with any permanent diminution in value being charged to the profit and loss account as it arises.

This depreciation policy reflects the expected benefits of such assets and provides consistency with the depreciation methods used by other entities within the same industry.

In accordance with GAAP (Generally Accepted Accounting Practice), the assets under construction do not begin to be depreciated until they come into use. Once the assets under construction come into use they are transferred to the relevant categories and commence being depreciated if applicable.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.8 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.9 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.11 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 FINANCE COSTS

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.13 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. ACCOUNTING POLICIES (CONTINUED)

2.14 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 BORROWING COSTS

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

In applying the Company's accounting policies, the directors are required to make judgments, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgments, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity in making such judgments, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimate are recognised in the period in which the estimate is revised, if the revisions affects only that period, or in the period of revision and future periods, if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Recoverability of receivables

The company established a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability and the credit profile of individuals or groups of customers.

(ii) Determining residual values and useful economic lives of property, plant and equipment.

The company depreciates tangible assets over their useful economic lives. The estimation of the useful lives. The estimation of the useful lives of assets in based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of the assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgment is applied by management determining the residual values for plant, machinery and equipment. When determining the residual value management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already in the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

4. TURNOVER

An analysis of turnover by class of business is as follows:

| | 2016 £ | 2015 £ |
|-----------------------|------------------|------------------|
| Rendering of services | 2,488,079 | 2,435,842 |
| Sale of goods | 3,197,127 | 3,181,345 |
| | <u>5,685,206</u> | <u>5,617,187</u> |

All turnover arose within the United Kingdom.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

5. OTHER OPERATING INCOME

| | 2016 £ | 2015 £ |
|------------------------|----------------|----------------|
| Other operating income | 446,877 | 462,129 |
| | <u>446,877</u> | <u>462,129</u> |

This relates to management fees charged to its sister company, Donnington Valley Group Limited, and to management fees charged to its subsidiary, Knights Valley Hotels Limited.

6. OPERATING LOSS

The operating loss is stated after charging:

| | 2016 £ | 2015 £ |
|---------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Depreciation of tangible fixed assets | 70,889 | 48,408 |
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | 19,500 | 21,000 |
| Other operating lease rentals | 9,859 | 15,783 |
| Defined contribution pension cost | 92,874 | 169,372 |
| | <u>192,122</u> | <u>354,563</u> |

7. EMPLOYEES

Staff costs, including directors' remuneration, were as follows:

| | 2016 £ | 2015 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 2,578,672 | 2,656,027 |
| Social security costs | 210,999 | 189,589 |
| Cost of defined contribution scheme | 92,874 | 169,372 |
| | <u>2,882,545</u> | <u>3,014,988</u> |

The average monthly number of employees, including the directors, during the year was as follows:

| | 2016 No. | 2015 No. |
|-------------------------------------|-------------|-------------|
| Management and Administration staff | 23 | 10 |
| Sales and Marketing staff | 11 | 25 |
| Operational staff | 99 | 101 |
| | <u>133</u> | <u>136</u> |

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

8. DIRECTORS' REMUNERATION

| | 2016 £ | 2015 £ |
|---------------------------------------------------------------|----------------|----------------|
| Directors' emoluments | 143,424 | 175,025 |
| Company contributions to defined contribution pension schemes | 45,607 | 27,493 |
| | <u>189,031</u> | <u>202,518</u> |

During the year retirement benefits were accruing to 2 directors (2015 - 2) in respect of defined contribution pension schemes.

9. INTEREST PAYABLE AND SIMILAR CHARGES

| | 2016 £ | 2015 £ |
|-----------------------|---------------|---------------|
| Bank interest payable | 68,602 | 85,500 |
| | <u>68,602</u> | <u>85,500</u> |

10. TAXATION

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

| | 2016 £ | 2015 £ |
|---------------------------------------------------------------------------------------------------------------|------------------|------------------|
| Profit on ordinary activities before tax | <u>(122,875)</u> | <u>(244,513)</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%) | (24,575) | (49,505) |
| EFFECTS OF: | | |
| Expenses not deductible for tax purposes, other than goodwill amortisation and impairment | 2,058 | (1,360) |
| Capital allowances for year in excess of depreciation | (58,858) | (55,246) |
| Utilisation of tax losses | 79,775 | 110,450 |
| Other fixed asset adjustments and timing differences | - | (4,215) |
| Short term timing difference leading to an increase (decrease) in taxation | 1,600 | (124) |
| TOTAL TAX CHARGE FOR THE YEAR | <u>-</u> | <u>-</u> |

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

11. TANGIBLE FIXED ASSETS

| | Freehold property £ | Plant & machinery £ | Motor vehicles £ | Fixtures & fittings £ | Total £ |
|----------------------------------------|---------------------------|---------------------------|------------------------|-----------------------------|--------------------------|
| COST OR VALUATION | | | | | |
| At 1 January 2016 | 12,132,521 | 1,244,325 | 48,342 | 994,113 | 14,419,301 |
| Additions | 2,920 | 111,328 | - | 315,831 | 430,079 |
| At 31 December 2016 | <u>12,135,441</u> | <u>1,355,653</u> | <u>48,342</u> | <u>1,309,944</u> | <u>14,849,380</u> |
| DEPRECIATION | | | | | |
| At 1 January 2016 | 616,265 | 1,141,492 | 48,342 | 614,852 | 2,420,951 |
| Charge for the year on owned assets | 1,329 | 54,155 | - | 15,405 | 70,889 |
| At 31 December 2016 | <u>617,594</u> | <u>1,195,647</u> | <u>48,342</u> | <u>630,257</u> | <u>2,491,840</u> |
| NET BOOK VALUE | | | | | |
| At 31 December 2016 | <u><u>11,517,847</u></u> | <u><u>160,006</u></u> | <u><u>-</u></u> | <u><u>679,687</u></u> | <u><u>12,357,540</u></u> |
| At 31 December 2015 | <u><u>11,516,257</u></u> | <u><u>102,833</u></u> | <u><u>-</u></u> | <u><u>379,261</u></u> | <u><u>11,998,351</u></u> |

The net book value of freehold land and buildings comprises freehold land of £103,500 and hotel construction and fittings of £11,412,757. Freehold land is not depreciated.

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. FIXED ASSET INVESTMENTS

| | Investments in subsidiary companies £ |
|--------------------------|--------------------------------------------------------------|
| COST OR VALUATION | |
| At 1 January 2016 | 192,308 |
| At 31 December 2016 | 192,308 |
| IMPAIRMENT | |
| At 1 January 2016 | 192,308 |
| At 31 December 2016 | 192,308 |
| At 31 December 2016 | - |
| At 31 December 2015 | - |

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

| Name | Class of shares | Holding | Principal activity |
|-------------------------------|-----------------|---------|--------------------|
| Knights Valley Hotels Limited | Ordinary | 100 % | Hotel Management |
| Foley Lodge Limited | Ordinary | 100 % | Dormant |

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

13. STOCKS

| | 2016 £ | 2015 £ |
|-------------------------------------|-------------------|-------------------|
| Raw materials and consumables | 19,469 | 19,210 |
| Finished goods and goods for resale | 1,001,889 | 922,687 |
| | 1,021,358 | 941,897 |

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

14. DEBTORS

| | 2016 £ | 2015 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | 420,071 | 433,897 |
| Amounts owed by group undertakings | 614,015 | 475,002 |
| Other debtors | 2,190 | 10,439 |
| Prepayments and accrued income | 114,998 | 139,856 |
| | <u>1,151,274</u> | <u>1,059,194</u> |

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand by group undertakings.

15. CASH AND CASH EQUIVALENTS

| | 2016 £ | 2015 £ |
|--------------------------|------------------|------------------|
| Cash at bank and in hand | 2,326 | 2,200 |
| Less: bank overdrafts | (505,314) | (428,033) |
| | <u>(502,988)</u> | <u>(425,833)</u> |

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2016 £ | 2015 £ |
|------------------------------------|-------------------|-------------------|
| Bank overdrafts | 505,314 | 428,033 |
| Bank loans | 40,000 | 260,488 |
| Trade creditors | 82,116 | 121,896 |
| Amounts owed to group undertakings | 21,589,102 | 21,603,032 |
| Other taxation and social security | 265,503 | 235,544 |
| Other creditors | 23,369 | 27,631 |
| Accruals and deferred income | 350,461 | 493,864 |
| | <u>22,855,865</u> | <u>23,170,488</u> |

The bank overdraft include fixed and floating charges over all assets of the company.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2016 £ | 2015 £ |
|-----------|------------------|------------------|
| Bank loan | 2,960,000 | 1,991,645 |
| | <u>2,960,000</u> | <u>1,991,645</u> |

Secured loans

The bank loan of £3,000,000 (2015: £1,991,646) repayable in quarterly installments of £40,000, with a balloon at maturity. The loan is secured by a first legal mortgage on the property that it relates to, along with a fixed and floating charge over all the other assets in the company and cross guarantees of certain group companies. The interest rate is base plus 2.25% over the term of the loan.

18. LOANS

Analysis of the maturity of loans is given below:

| | 2016 £ | 2015 £ |
|----------------------------------------------------|------------------|------------------|
| AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| Bank loans | 40,000 | 260,488 |
| | <u>40,000</u> | <u>260,488</u> |
| AMOUNTS FALLING DUE 1-2 YEARS | | |
| Bank loans | 80,000 | 267,175 |
| | <u>80,000</u> | <u>267,175</u> |
| AMOUNTS FALLING DUE 2-5 YEARS | | |
| Bank loans | 2,880,000 | 843,379 |
| | <u>2,880,000</u> | <u>843,379</u> |
| AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS | | |
| Bank loans | - | 881,091 |
| | <u>-</u> | <u>881,091</u> |
| | <u>3,000,000</u> | <u>2,252,133</u> |

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

19. FINANCIAL INSTRUMENTS

| | 2016 £ | 2015 £ |
|-----------------------------------------------------------------------|---------------------|---------------------|
| FINANCIAL ASSETS | | |
| Financial assets that are debt instruments measured at amortised cost | 515,221 | 693,085 |
| | <u>515,221</u> | <u>693,085</u> |
| FINANCIAL LIABILITIES | | |
| Financial liabilities measured at amortised cost | (24,888,617) | (24,387,806) |
| | <u>(24,888,617)</u> | <u>(24,387,806)</u> |

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and cash at bank and in hand.

Financial liabilities measured at amortised cost comprise trade creditors, bank overdrafts, bank loans, amounts owed to group undertakings and other creditors.

20. SHARE CAPITAL

| | 2016 £ | 2015 £ |
|-------------------------------------------|------------------|------------------|
| SHARES CLASSIFIED AS EQUITY | | |
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 2,867,895 Ordinary shares of £1 each | 2,867,895 | 2,867,895 |
| | <u>2,867,895</u> | <u>2,867,895</u> |

21. RESERVES

Profit & loss account

Includes all current and prior year retained profit and losses.

22. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £169,372 (2015: £169,372). Contributions totaling £NIL (2015: £NIL) were payable to the fund at the balance sheet date.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2016 £ | 2015 £ |
|-----------------------|--------------|--------------|
| Not later than 1 year | 5,000 | 5,000 |
| | <u>5,000</u> | <u>5,000</u> |

24. RELATED PARTY TRANSACTIONS

The following balances were outstanding with related parties as of 31 December 2016:

| | 2016 £ | 2015 £ |
|-------------------------------------|--------------|--------------|
| Knights Valley Hotels Limited | 247,454 | (72,743) |
| Foley Lodge Limited | 332,791 | 247,819 |
| Stockford Limited | (18,223,502) | (18,227,657) |
| Donnington Valley Group Limited | (2,842,634) | (3,252,632) |
| Donnington Valley Hotels Limited | (521,141) | 128,819 |
| Donnington Valley Golf Club Limited | 10,951 | 94,917 |
| KV Hotels Limited | 3,447 | 3,447 |
| Knights Valley Limited | 19,372 | - |

Donnington Valley Hotels Limited and Donnington Valley Golf Club Limited are subsidiaries of Donnington Valley Group Limited which is the sister company of The Vineyard at Stockcross Limited.

Foley Lodge Limited and Knights Valley Hotels Limited are subsidiaries of The Vineyard at Stockcross Limited.

KV Hotels Limited is the immediate parent company of The Vineyard at Stockcross Limited.

Stockford Limited is the ultimate parent company of The Vineyard at Stockcross Limited.

As the company is a wholly owned subsidiary within the Group headed by Stockford Limited, the company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing related party transactions with entities which form part of the Group on the grounds that 100% of the voting rights in the company are controlled by the group.

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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25. CONTROLLING PARTY

The company considers Stockford Limited, a company incorporated in England and Wales, to be its ultimate parent company throughout the current and previous years. The company's results are included in the consolidated financial statements of Stockford Limited. Copies of the group financial statements for Stockford Limited are available from its registered office: 1 The Green, Richmond, Surrey, TW9 1PL.