

THE VINEYARD AT STOCKCROSS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2007

Felton Pumphrey

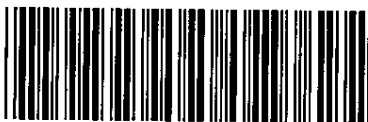
Chartered Accountants & Registered Auditors

12 Sheet Street

Windsor

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THE VINEYARD AT STOCKCROSS LIMITED

COMPANY INFORMATION

DIRECTORS	Malcolm Morris Margaret Morris Andrew McKenzie Peter Gubb
COMPANY SECRETARY	Margaret Morris
COMPANY NUMBER	02233431
REGISTERED OFFICE	The Vineyard Stockcross Newbury Berkshire RG20 8JU
AUDITORS	Felton Pumphrey Chartered Accountants & Registered Auditors 12 Sheet Street Windsor Berkshire SL4 1BG
BANKERS	HSBC Bank Plc 28 High Street Uxbridge Middlesex UB8 1BY
SOLICITORS	Thomas Eggar Newbury House 20 King's Road West Newbury Berkshire RG14 5XR

THE VINEYARD AT STOCKCROSS LIMITED

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THE VINEYARD AT STOCKCROSS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

The Directors present their report and the financial statements for the Year ended 31 December 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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). 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 these financial statements, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and 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 proper accounting records that 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.

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was running a restaurant, hotel and other related activities.

BUSINESS REVIEW

During the year to 31st December 2007 the financial position of the company has improved. Turnover from the hotel and wine agent increased by 6.7% and EBITDA before exceptional items increased by 5.8%.

The Company is a focused five star luxury boutique hotel and wine agent business. The hotel targets both the business and leisure traveller whilst the wine agent sells exclusive Californian wines from small boutique estates. The strength of the brand continues to improve through its award winning food and fine wines and the award of a second Michelin star to the restaurant during the year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

THE VINEYARD AT STOCKCROSS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007

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.

RESULTS

The profit for the Year, after taxation, amounted to £200,653 (2006 - £200,292)

DIRECTORS

The Directors who served during the Year were

Malcolm Morris
Margaret Morris
Andrew McKenzie
Peter Gubb

PROVISION OF INFORMATION TO AUDITORS

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

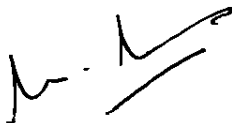
- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information

AUDITORS

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

This report was approved by the board on 11 JULY 2008 and signed on its behalf

Malcolm Morris
Director



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 2007, set out on pages 5 to 16. These financial statements have been prepared in accordance with the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF 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 judgments 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.

GOING CONCERN

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements with regard to the going concern basis of preparing the financial statements. The continuance of the company is largely dependent on the continued support of the company's ultimate parent company as described in the accounting policies in the financial statements. Our opinion is not qualified in this respect.

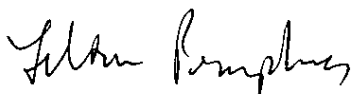
THE VINEYARD AT STOCKCROSS LIMITED

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

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2007 and of its profit for the Year then ended,
- the financial statements 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



FELTON PUMPHREY

Chartered Accountants & Registered Auditors
12 Sheet Street
Windsor
Berkshire
SL4 1BG

Date

28/7/2008

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THE VINEYARD AT STOCKCROSS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Note	2007 £	2006 £
TURNOVER	1,2	6,501,269	6,099,904
Cost of sales		<u>(1,426,051)</u>	<u>(1,319,297)</u>
GROSS PROFIT		5,075,218	4,780,607
Administrative expenses		<u>(5,177,649)</u>	<u>(4,701,194)</u>
Other operating income	3	<u>523,953</u>	<u>334,000</u>
OPERATING PROFIT	4	421,522	413,413
Loans to group undertakings written off		-	192,308
Amounts written off investments		-	(192,308)
Interest receivable		8,739	3,794
Interest payable	8	<u>(229,608)</u>	<u>(216,915)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		200,653	200,292
Tax on profit on ordinary activities	9	<u>-</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	17	<u>200,653</u>	<u>200,292</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2007 or 2006 other than those included in the Profit and loss account

The notes on pages 7 to 16 form part of these financial statements

THE VINEYARD AT STOCKCROSS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2007**

	Note	£	2007 £	£	2006 £
FIXED ASSETS					
Tangible fixed assets	10		11,267,473		11,430,482
Fixed asset investments	11		-		-
CURRENT ASSETS					
Stocks	12	920,017		869,105	
Debtors	13	901,095		940,385	
Cash at bank and in hand		293,305		528,103	
		<u>2,114,417</u>		<u>2,337,593</u>	
CREDITORS: amounts falling due within one year	14	<u>(1,774,571)</u>		<u>(1,977,765)</u>	
NET CURRENT ASSETS			<u>339,846</u>		<u>359,828</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>11,607,319</u>		<u>11,790,310</u>
CREDITORS: amounts falling due after more than one year	15		20,959,912		21,343,556
CAPITAL AND RESERVES					
Called up share capital	16		2,867,895		2,867,895
Share premium account	17		20,587		20,587
Profit and loss account	17		<u>(12,241,075)</u>		<u>(12,441,728)</u>
	18		<u>11,607,319</u>		<u>11,790,310</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
11 JULY 2008


Malcolm Morris
Director

The notes on pages 7 to 16 form part of these financial statements

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. Certain comparative amounts within the profit and loss account have been reclassified in order for the financial statements to show a true and fair view, consistent with the treatment in the current period.

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 228 of the Companies Act 1985. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

1.2 CASH FLOW

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 TURNOVER

Turnover comprises revenue recognised by the Company in respect of goods and services supplied, exclusive of Value Added Tax and trade discounts.

1.4 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	1% straight line
Plant & machinery	-	20% - 33% straight line
Motor vehicles	-	25% straight line
Fixtures & fittings	-	20% straight line
Assets under construction	-	0% straight line

It is the company's policy to continually refurbish and maintain the property to ensure that the building is maintained to the highest standards. The company depreciates the building over its useful economic life which is deemed to be 100 years. Any permanent diminution in value is charged to the profit and loss account as it arises.

As per FRS 15 Tangible Fixed Assets, the assets under construction are not depreciated.

1.5 INVESTMENTS

Investments in subsidiaries are valued at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments would be treated as part of the result from ordinary activities.

THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

1. ACCOUNTING POLICIES (continued)

1.6 LEASING AND HIRE PURCHASE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.8 FOREIGN CURRENCIES

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange gains and losses are recognised in the Profit and loss account.

1.9 PENSIONS

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.10 FINANCE COSTS

Finance costs that are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets. Capitalisation begins when the finance costs are being incurred, expenditures for the asset are being incurred, and activities that are necessary to get the asset ready for use are in progress. Capitalisation of finance costs ceases when substantially all the activities that are necessary to get the tangible fixed asset ready for use are complete.

1.11 GOING CONCERN

Undertakings to provide sufficient financial support to the company to enable it to meet its liabilities as they fall due have been given and accordingly the financial statements have been prepared on a going concern basis.

2. TURNOVER

The whole of the turnover is attributable to the one principle activity of the Company.

All turnover arose within the United Kingdom.

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

3. OTHER OPERATING INCOME

	2007	2006
	£	£
Other operating income	523,953	334,000

This relates to management fees charged to its sister company, Donnington Valley Group Limited

4. OPERATING PROFIT

The operating profit is stated after charging

	2007	2006
	£	£
Depreciation of tangible fixed assets		
- owned by the company	389,537	402,443
- held under finance leases	3,245	3,249

5. AUDITORS' REMUNERATION

	2007	2006
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	11,500	15,000
Fees payable to the company's auditor and its associates in respect of		
Other services relating to taxation	2,117	2,000

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

6. STAFF COSTS

Staff costs, including Directors' remuneration, were as follows

	2007 £	2006 £
Wages and salaries	2,462,876	2,307,615
Social security costs	214,308	200,980
Other pension costs	34,227	32,479
	<u>2,711,411</u>	<u>2,541,074</u>

The average monthly number of employees, including the Directors, during the Year was as follows

	2007 No.	2006 No
Management and Administration staff	21	21
Sales and Marketing staff	7	12
Operational staff	112	108
	<u>140</u>	<u>141</u>

7. DIRECTORS' REMUNERATION

	2007 £	2006 £
Emoluments	<u>218,523</u>	<u>203,840</u>
Company pension contributions to money purchase pension schemes	<u>10,484</u>	<u>11,818</u>

During the Year retirement benefits were accruing to 1 Director (2006 - 1) in respect of money purchase pension schemes

The highest paid Director received remuneration of £212,523 (2006 - £194,283)

The value of the company's contributions paid to a money purchase pension scheme in respect of the highest paid Director amounted to £10,484 (2006 - £11,818)

8. INTEREST PAYABLE

	2007 £	2006 £
On other loans	229,538	216,521
On finance leases and hire purchase contracts	70	394
	<u>229,608</u>	<u>216,915</u>

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

9. TAXATION

	2007 £	2006 £
UK corporation tax charge on profit for the Year	-	-

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the Year is lower than (*2006 - lower than*) the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	200,653	200,292
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (<i>2006 - 30%</i>)	60,196	60,088
EFFECTS OF:		
Expenses not deductible for tax purposes	2,595	-
Utilisation of tax losses	(14,932)	(120,984)
Depreciation in excess of capital allowances	7,060	8,596
Other short term timing differences	(52,297)	105,416
Income not taxable for tax purposes	-	(53,116)
Group relief claimed before payment	(2,622)	-
CURRENT TAX CHARGE FOR THE YEAR (see note above)	-	-

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

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THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

10. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Plant and machinery £	Motor vehicles £	Furniture and fittings £	Assets under constructio n £	Total £
COST						
At 1 January 2007	10,721,083	2,600,030	50,944	1,870,905	-	15,242,962
Additions	-	190,467	-	37,522	4,659	232,648
Disposals	-	(1,808,123)	(11,500)	(1,077,912)	-	(2,897,535)
At 31 December 2007	10,721,083	982,374	39,444	830,515	4,659	12,578,075
DEPRECIATION						
At 1 January 2007	102,711	2,272,947	25,647	1,411,175	-	3,812,480
Charge for the Year	102,711	278,054	12,017	-	-	392,782
On disposals	-	(1,808,123)	(8,625)	(1,077,912)	-	(2,894,660)
At 31 December 2007	205,422	742,878	29,039	333,263	-	1,310,602
NET BOOK VALUE						
At 31 December 2007	10,515,661	239,496	10,405	497,252	4,659	11,267,473
At 31 December 2006	10,618,372	327,083	25,297	459,730	-	11,430,482

The net book value of freehold land and buildings comprises freehold land of £450,000 and hotel construction and fittings of £10,065,611. Freehold land is not depreciated.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2007 £	2006 £
Motor vehicles	1,624	4,873

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

11 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST OR VALUATION	
At 1 January 2007 and 31 December 2007	192,308
IMPAIRMENT	
At 1 January 2007 and 31 December 2007	192,308
NET BOOK VALUE	
At 31 December 2007	-
At 31 December 2006	-

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the company

Name

Knights Valley Hotels Limited (dormant)
Foley Lodge Limited (dormant)

The Company owns 100% of the issued ordinary £1 share capital of the companies listed above which are registered in England

The investments are carried at cost as fair value can not be reliably measured as they are not listed investments less a provision for impairment

The subsidiary undertakings have a year end of 31 March however since the undertakings are dormant and immaterial to the group, it is not considered necessary to change this

12. STOCKS

	2007 £	2006 £
Raw materials	25,171	23,302
Finished goods and goods for resale	894,846	845,803
	<u>920,017</u>	<u>869,105</u>

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

13. DEBTORS

	2007 £	2006 £
Trade debtors	618,815	450,435
Amounts owed by group undertakings	147,037	349,857
Other debtors	21,974	18,784
Prepayments and accrued income	113,269	121,309
	<u>901,095</u>	<u>940,385</u>

**14. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007 £	2006 £
Bank loans and overdrafts	509,710	845,357
Net obligations under finance leases and hire purchase contracts	-	2,508
Trade creditors	385,196	382,650
Amounts owed to group undertakings	-	37,057
Social security and other taxes	259,252	262,676
Other creditors	37,559	37,777
Accruals and deferred income	582,854	409,740
	<u>1,774,571</u>	<u>1,977,765</u>

The bank loan is secured by a fixed charge over the company's freehold property, book and other debts, chattels, goodwill and uncalled capital (both present and future) It is also secured by a floating charge over all assets

**15. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2007 £	2006 £
Bank loans	2,541,529	2,913,058
Amounts owed to group undertakings	18,418,383	18,430,498
	<u>20,959,912</u>	<u>21,343,556</u>

THE VINEYARD AT STOCKCROSS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007**

**15. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows

	2007 £	2006 £
Repayable by instalments	629,865	1,123,522
Repayable other than by instalments	18,418,383	18,430,498
	<u>19,048,248</u>	<u>19,554,020</u>

The bank loan is repayable quarterly at an interest rate of base rate plus 1%

The bank loan is secured by a fixed charge over the company's freehold property, book and other debts, chattels, goodwill and uncalled capital (both present and future) It is also secured by a floating charge over all assets

16 SHARE CAPITAL

	2007 £	2006 £
AUTHORISED		
4,800,000 Ordinary shares of £1 each	<u>4,800,000</u>	<u>4,800,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
2,867,895 Ordinary shares of £1 each	<u>2,867,895</u>	<u>2,867,895</u>

17 RESERVES

	Share premium account £	Profit and loss account £
At 1 January 2007	20,587	(12,441,728)
Profit for the Year		200,653
	<u>20,587</u>	<u>(12,241,075)</u>
At 31 December 2007		

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THE VINEYARD AT STOCKCROSS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

18. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2007 £	2006 £
Opening shareholders' deficit	(9,553,246)	(9,753,538)
Profit for the Year	200,653	200,292
Closing shareholders' deficit	<u>(9,352,593)</u>	<u>(9,553,246)</u>

19. CAPITAL COMMITMENTS

At 31 December 2007 the Company had capital commitments as follows

	2007 £	2006 £
Contracted for but not provided in these financial statements	<u>233,500</u>	<u>-</u>

20. 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 £34,227 (2006 - £32,479). Contributions totalling £Nil (2006 - £5,396) were payable to the fund at the balance sheet date and are included in creditors.

21. RELATED PARTY TRANSACTIONS

Amounts owed to group undertakings as at 31 December 2007 include £Nil due to Sugarloaf Farming Corporation d b a The Peter Michael Winery (2006 - £37,057) and £18,418,604 due to Stockford Limited (2006 - £18,430,719).

Amounts owed by group undertakings as at 31 December 2007 include £145,165 due from Donnington Valley Group Limited (2006 - £349,099), and £1,872 due from Knights Valley Limited (2006 - £758).

The company has taken advantage of the exemption in Financial Reporting Standard 8 regarding disclosure of related party transactions with fellow 90% subsidiaries as it is a wholly owned subsidiary. Its results and position are included in the consolidated financial statements of Stockford Limited which are publicly available from 12 Sheet Street, Windsor, Berkshire SL4 1BG.

The company considers KV Hotels Limited, a company registered in England, to be its immediate parent company.

The company considers Stockford Limited, a company registered in England, to be its ultimate parent company.

The company considers Sir Peter Michael CBE to be its ultimate controlling party throughout the current and previous years.

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