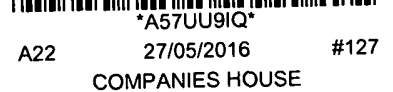


P. C.

FRIDAY



HAMBLEDON VINEYARD PLC
CONTENTS

| | |
|---|-----------------|
| Company Information | 1 |
| Directors' Report | 2 |
| Strategic Report | 3 |
| Independent Auditor's Report | 4 to 5 |
| Consolidated Profit and Loss Account | 6 |
| Consolidated Balance Sheet | 7 |
| Balance Sheet | 8 |
| Consolidated Cash Flow Statement | 9 to 10 |
| Notes to the Financial Statements | 11 to 23 |

HAMBLEDON VINEYARD PLC
COMPANY INFORMATION

Directors

I J Kellett
J A B Armit
A W M Christie-Miller
W M Robinson
S A Blakey

Company secretary

G A Jeffs

Registered office

The Vineyard East Street
Hambleton
Waterlooville
Hampshire
PO7 4RY

Auditor

Spofforths LLP
9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

HAMBLEDON VINEYARD PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2015

The directors present their report and the consolidated financial statements for the year ended 30 November 2015.

Directors of the company

The directors who held office during the year were as follows:

I J Kellett
J A B Armit
A W M Christie-Miller
W M Robinson
S A Blakey (appointed 7 September 2015)

Principal activity

The principal activity of the group is the production and sale of English sparkling wine.

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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

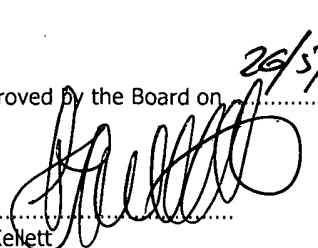
- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the group's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of.

Approved by the Board on 26/5/16 and signed on its behalf by:


.....
I J Kellett
Director

HAMBLEDON VINEYARD PLC

STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2015

The directors present their strategic report for the year ended 30 November 2015.

Business review

Fair review of the business

The group, primarily through Hambledon Wineries Limited, has continued to invest in the production of wine and in developing its wine-making operations. This includes contract winemaking activities for other vineyards. The Hambledon brand has performed exceptionally well in a number of blind tastings and this has led to a much heightened profile and increasing volumes of sales. The sales in the year increased to £300k (2014: £191k). The group operating loss was £388k (2014: £260k) before interest payable of £137k (2014: £21k). The cash outflow from operating activities was £1,044k (2014: £676k) of which £490k (2014: £531k) related to the net increase in wine stocks after a successful harvest.

In order to facilitate this continued investment and development of the group, the parent company completed a £3.6m refinancing of the business by way of a senior debt facility and the issue of bonds and preference shares.

Principal risks and uncertainties

Market Sector:

Although the UK market for champagne and sparkling wine has remained robust, the level of competition is increasing year on year as additional UK producers of sparkling wine grow their levels of activity. Whilst this could be regarded as a risk, it should also mean that the consequent greater awareness and availability of these wines should lead to at least a commensurate expansion in their market share. The Company's strategy in building a reputable brand will be to resist competitive pricing pressures.

Climate:

The South of England provides areas in which highly successful sparkling wine production can be achieved. Levels of production are very much dependent on weather patterns, making it difficult to predict levels of output on a year by year basis.

Management:

The Company is dependent on a small group of key personnel to provide day by day management of the vineyards, wine-making, sales and marketing and the overall development strategies in respect of brand development. This is a vulnerability that can be addressed only as the Company expands, thus enabling the management team to be supplemented.

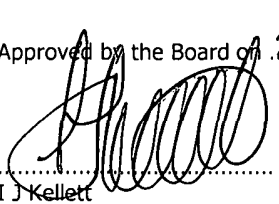
Creditor payment policy

The company's policy concerning the payment of trade creditors is to agree the terms of payment with suppliers in advance and ensure that suppliers are made aware of the terms of payment by inclusion in contracts, where appropriate. The group's policy is to pay suppliers in accordance with contractual and other legal obligations. At 30 November 2015, the group's creditor days were within 31 days.

Indemnity insurance

The group maintains directors' and officers' liability insurance which gives appropriate cover for legal action brought against its directors.

Approved by the Board on 26/5/16 and signed on its behalf by:


I J Kellett
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMBLEDON VINEYARD PLC

We have audited the financial statements of Hambledon Vineyard PLC for the year ended 30 November 2015, set out on pages 6 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the auditor

As explained more fully in the Statement of Directors' Responsibilities (set out 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's web-site at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2015 and of the group's 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.

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
HAMBLEDON VINEYARD PLC**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Simon Webber BA(Hons) FCA (Senior Statutory Auditor)
For and on behalf of Spofforths LLP, Statutory Auditor

9 Donnington Park
85 Birdham Road
Chichester
West Sussex
PO20 7AJ

Date:

26/5/16

HAMBLEDON VINEYARD PLC
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2015

| | Note | 2015 £ | 2014 £ |
|---|-------------|-------------------|-------------------|
| Turnover | 2 | 300,657 | 191,328 |
| Cost of sales | | <u>(209,693)</u> | <u>(149,576)</u> |
| Gross profit | | 90,964 | 41,752 |
| Distribution costs | | (2,108) | - |
| Administrative expenses | | (483,677) | (303,587) |
| Other operating income | | <u>6,016</u> | <u>1,241</u> |
| Group operating loss | 3 | (388,805) | (260,594) |
| Interest payable and similar charges | 7 | <u>(137,041)</u> | <u>(21,153)</u> |
| Loss on ordinary activities before taxation | | <u>(525,846)</u> | <u>(281,747)</u> |
| Loss for the financial year attributable to members of the parent company | 17 | <u>(525,846)</u> | <u>(281,747)</u> |


Turnover and operating profit derive wholly from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

HAMBLEDON VINEYARD PLC
CONSOLIDATED BALANCE SHEET
AT 30 NOVEMBER 2015

| | | | 2015 | | 2014 |
|---|------|-------------|-------------|-------------|-------------|
| | Note | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Intangible fixed assets | 9 | | 476,948 | | 508,744 |
| Tangible fixed assets | 10 | | 2,247,085 | | 2,235,964 |
| Current assets | | | | | |
| Stocks | 12 | 1,383,410 | | 892,581 | |
| Debtors | 13 | 562,720 | | 58,254 | |
| Cash at bank and in hand | | 1,034,763 | | 179,448 | |
| | | 2,980,893 | | 1,130,283 | |
| Creditors: Amounts falling due within one year | 14 | (344,550) | | (122,927) | |
| Net current assets | | | 2,636,343 | | 1,007,356 |
| Total assets less current liabilities | | | 5,360,376 | | 3,752,064 |
| Creditors: Amounts falling due after more than one year | 15 | | (3,185,678) | | (1,051,520) |
| Net assets | | | 2,174,698 | | 2,700,544 |
| Capital and reserves | | | | | |
| Called up share capital | 16 | 928,901 | | 928,901 | |
| Share premium account | 17 | 3,199,149 | | 3,199,149 | |
| Profit and loss account | 17 | (1,953,352) | | (1,427,506) | |
| Shareholders' funds | 18 | | 2,174,698 | | 2,700,544 |

Approved by the Board and authorised for issue on 26/5/16 and signed on its behalf by:




 W M Robinson
 Director

HAMBLEDON VINEYARD PLC
(REGISTRATION NUMBER: 07450172)
BALANCE SHEET AT 30 NOVEMBER 2015

| | Note | 2015 £ | 2014 £ |
|---|------|-------------|-----------|
| Fixed assets | | | |
| Investments | 11 | 533,001 | 533,001 |
| Current assets | | | |
| Debtors | 13 | 5,430,902 | 3,532,553 |
| Cash at bank and in hand | | 842,920 | 35,328 |
| | | 6,273,822 | 3,567,881 |
| Creditors: Amounts falling due within one year | 14 | (139,611) | (6,000) |
| Net current assets | | 6,134,211 | 3,561,881 |
| Total assets less current liabilities | | 6,667,212 | 4,094,882 |
| Creditors: Amounts falling due after more than one year | 15 | (2,749,806) | - |
| Net assets | | 3,917,406 | 4,094,882 |
| Capital and reserves | | | |
| Called up share capital | 16 | 928,901 | 928,901 |
| Share premium account | 17 | 3,199,149 | 3,199,149 |
| Profit and loss account | 17 | (210,644) | (33,168) |
| Shareholders' funds | 18 | 3,917,406 | 4,094,882 |

Approved by the Board and authorised for issue on 26/5/16 and signed on its behalf by:


.....
W M Robinson
Director

HAMBLEDON VINEYARD PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2015

Reconciliation of operating loss to net cash flow from operating activities

| | 2015 £ | 2014 £ |
|---|-------------------------|-------------------------|
| Operating loss | (388,805) | (260,594) |
| Depreciation, amortisation and impairment charges | 133,876 | 133,049 |
| Increase in stocks | (490,829) | (531,163) |
| Increase in debtors | (504,466) | (25,427) |
| Increase in creditors | 221,623 | 23,832 |
| Receipt/release of government grants | (15,648) | (15,647) |
| Net cash outflow from operating activities | <u>(1,044,249)</u> | <u>(675,950)</u> |

Cash flow statement

| | 2015 £ | 2014 £ |
|--|-------------------------|-------------------------|
| Net cash outflow from operating activities | (1,044,249) | (675,950) |
| Returns on investments and servicing of finance | | |
| Interest paid | (137,041) | (21,153) |
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (113,201) | (152,900) |
| Net cash outflow before management of liquid resources and financing | <u>(1,294,491)</u> | <u>(850,003)</u> |
| Financing | | |
| Value of new loans obtained during the period | 2,399,804 | 600,000 |
| Repayment of loans and borrowings | (750,000) | - |
| Issue of preference shares | 500,002 | - |
| | <u>2,149,806</u> | <u>600,000</u> |
| Increase/(decrease) in cash | <u>855,315</u> | <u>(250,003)</u> |

HAMBLEDON VINEYARD PLC
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2015

Reconciliation of net cash flow to movement in net debt

| | Note | 2015 £ | 2014 £ |
|--|-------------|---------------------------|-------------------------|
| Increase/(decrease) in cash | | 855,315 | (250,003) |
| Cash inflow from increase in loans | | (2,399,804) | (600,000) |
| Cash outflow from repayment of loans | | 750,000 | - |
| Cash inflow from increase in preference shares | | (500,002) | - |
| Change in net debt resulting from cash flows | 21 | <u>(1,294,491)</u> | <u>(850,003)</u> |
| Movement in net debt | 21 | (1,294,491) | (850,003) |
| Net (debt)/funds at 1 December | 21 | <u>(420,552)</u> | <u>429,451</u> |
| Net debt at 30 November | 21 | <u><u>(1,715,043)</u></u> | <u><u>(420,552)</u></u> |

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been applied consistently.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 November 2015. Subsidiary undertakings are included using the acquisitions method of accounting. Under this method the group profit and loss account and statement of cashflows include the results and cashflows of subsidiaries from the date of acquisition and to the date of sale outside the group in the case of disposals of subsidiaries. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

As permitted by section 408 of the Companies Act 2006 the parent company's profit and loss account has not been disclosed in the financial statements. The loss after taxation for the year in the financial statements of the parent company was £177,476 (2014 - £7,992).

Going concern

The group continues to invest in both infrastructure and the production of stocks which take a significant time to mature to saleable condition. The group has therefore sustained further trading losses during the year. The subsidiary company has a net asset deficiency of £1,209,707 at 30 November 2015 following accumulated losses. It requires the support of the parent company to meet its working capital and fixed asset investment requirements until it is able to trade profitably as forecast for 2019. In order to provide that support the parent company raised further funds during the year in the form of loan notes, preference shares and convertible bonds. The fundraising had a minimum target of £2.75m which was exceeded by £150k. In addition to this amount a further loan facility of £750k was secured and is available for future drawdown.

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of goods and services to customers.

Government grants

Grants received in respect of tangible fixed assets are treated as deferred income and recognised in the profit and loss account on a systematic basis, over the expected useful economic life of the assets to which they relate, on a basis consistent with the depreciation policy.

Goodwill

Goodwill arises when the cost of the business acquisition exceeds the fair value of the identifiable assets and liabilities acquired. It is capitalised and classified as an asset on the balance sheet.

Amortisation

Amortisation is provided on intangible fixed assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class
Goodwill

Amortisation method and rate
20 years straight line

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

Depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

| Asset class | Depreciation method and rate |
|---------------------------------|---|
| Freehold land and buildings | 2% straight line |
| Plant and machinery comprising: | |
| - General machinery | 5% straight line |
| - Ancillary equipment | 4%, 5%, 10%, 25% and 100% straight line |
| - Vines and trellising | 3.5%, 4%, 5% and 100% straight line |
| Motor vehicles | 25% straight line |
| Fixtures and fittings | 20% and 33% straight line |

Assets in the course of development are not depreciated until they are completed.

Vines and associated cost of cultivation are capitalised at cost until the vines begin producing fruit. Once the vines start to produce they take a further 3 years to reach full maturity. The production levels achieved are therefore significantly lower and accordingly the continued costs of cultivation are split between work in progress and fixed assets in the proportion to actual yield levels achieved for mature vines. Once fully matured the cost of vines is written off evenly over the estimated productive life, which is expected to be between 20-28 years.

Stock and work in progress

Stocks of consumables and packing materials, are consistently valued at the lower of cost and net realisable value.

Work in progress comprises sparkling wine in various stages of production. The initial valuation uses an average costing method which allocates the actual costs incurred in bringing the harvest to tank on a five year rolling basis. Additional costs incurred in bringing the wine through the further stages of production are added on an actual cost basis, as incurred.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the group financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

Foreign currency

Company

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

Group

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

Share premium

Where shares are issued at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of value of the premium on those shares is recognised as share premium. Share premium is stated net of expenses of the issue and any commission paid on the issue of those shares from which it arises.

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

Hire purchase and leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

2 Turnover

An analysis of turnover by geographical location is given below:

| | 2015 £ | 2014 £ |
|--------------------|-------------------------|-------------------------|
| Sales - UK | 300,414 | 191,328 |
| Other sales income | 243 | - |
| Group turnover | <u>300,657</u> | <u>191,328</u> |

An analysis of turnover by class of business is given below:

| | 2015 £ | 2014 £ |
|---------------------------|-------------------------|-------------------------|
| Wine sales | 214,697 | 133,470 |
| Contract winemaking | 70,509 | 28,488 |
| Tours, events, venue hire | 15,208 | 29,370 |
| | <u>300,414</u> | <u>191,328</u> |
| Other sales income | 243 | - |
| Group turnover | <u>300,657</u> | <u>191,328</u> |

3 Operating loss

Operating loss is stated after charging:

| | 2015 £ | 2014 £ |
|---|-------------------------|-------------------------|
| Foreign currency gains | (1,040) | - |
| Depreciation of owned assets | 102,080 | 101,253 |
| Amortisation | 31,796 | 31,796 |
| Auditor's remuneration for audit services | 11,749 | 8,839 |
| Auditor's remuneration for other services | <u>4,420</u> | <u>5,845</u> |

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

4 Auditor's remuneration

| | 2015 | 2014 |
|-----------------------------------|---------------|--------------|
| | £ | £ |
| Audit of the financial statements | <u>11,749</u> | <u>8,839</u> |

£4,225 (2014 - £3,660) of the fee for auditing the financial statements relates to the company.

5 Particulars of employees

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

| | 2015 | 2014 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Administration and support | 3 | 2 |
| Production | 6 | 5 |
| Directors | <u>4</u> | <u>4</u> |
| | <u>13</u> | <u>11</u> |

The aggregate payroll costs were as follows:

| | 2015 | 2014 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 275,642 | 242,765 |
| Social security costs | <u>23,475</u> | <u>20,226</u> |
| | <u>299,117</u> | <u>262,991</u> |

6 Directors' remuneration

The directors' remuneration for the year was as follows:

| | 2015 | 2014 |
|--------------|---------------|---------------|
| | £ | £ |
| Remuneration | <u>90,000</u> | <u>90,000</u> |

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

7 Interest payable and similar charges

| | 2015 | 2014 |
|--|----------------|---------------|
| | £ | £ |
| Interest on other loans | 91,288 | - |
| Other interest payable | 45,753 | 21,153 |
| Group interest payable and similar charges | <u>137,041</u> | <u>21,153</u> |

8 Taxation

No liability to UK Corporation Tax arose on ordinary activities during the year. At 30 November 2015, the group had losses of £1.3m (2014 - £1m) available to carry forward and offset against future profits. A deferred tax asset in respect of these losses has not been recognised at 30 November 2015 due to the uncertainty as to when future profits will be available against which to utilise the losses.

9 Intangible fixed assets

Group

| | Goodwill |
|-----------------------|-----------------|
| | £ |
| Cost | |
| At 1 December 2014 | 635,928 |
| At 30 November 2015 | <u>635,928</u> |
| Amortisation | |
| At 1 December 2014 | 127,184 |
| Charge for the year | 31,796 |
| At 30 November 2015 | <u>158,980</u> |
| Net book value | |
| At 30 November 2015 | <u>476,948</u> |
| At 30 November 2014 | <u>508,744</u> |

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

10 Tangible fixed assets

Group

| | Freehold land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Vines and trellis £ | Total £ |
|--------------------------|-------------------------------------|-----------------------------|-------------------------------|------------------------|---------------------------|------------|
| Cost or valuation | | | | | | |
| At 1 December 2014 | 1,031,811 | 789,759 | 16,423 | 2,839 | 719,281 | 2,560,113 |
| Additions | 15,110 | 28,609 | 17,262 | - | 52,220 | 113,201 |
| At 30 November 2015 | 1,046,921 | 818,368 | 33,685 | 2,839 | 771,501 | 2,673,314 |
| Depreciation | | | | | | |
| At 1 December 2014 | 74,148 | 177,837 | 6,762 | 2,839 | 62,563 | 324,149 |
| Charge for the year | 21,597 | 54,803 | 6,612 | - | 19,068 | 102,080 |
| At 30 November 2015 | 95,745 | 232,640 | 13,374 | 2,839 | 81,631 | 426,229 |
| Net book value | | | | | | |
| At 30 November 2015 | 951,176 | 585,728 | 20,311 | - | 689,870 | 2,247,085 |
| At 30 November 2014 | 957,663 | 611,922 | 9,661 | - | 656,718 | 2,235,964 |

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

11 Investments held as fixed assets

Company

| | 2015 | 2014 |
|--|----------------|----------------|
| | £ | £ |
| Shares in group undertakings and participating interests | <u>533,001</u> | <u>533,001</u> |

Shares in group undertakings and participating interests

| | Subsidiary undertakings | Total |
|-----------------------|------------------------------------|----------------|
| | £ | £ |
| Cost | | |
| At 1 December 2014 | <u>533,001</u> | <u>533,001</u> |
| At 30 November 2015 | <u>533,001</u> | <u>533,001</u> |
| Net book value | | |
| At 30 November 2015 | <u>533,001</u> | <u>533,001</u> |
| At 30 November 2014 | <u>533,001</u> | <u>533,001</u> |

Details of undertakings

Details of the investments in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

| Undertaking | Holding | Proportion of voting rights and shares held | Principal activity |
|----------------------------|-----------------------------|--|-------------------------------|
| Hambledon Wineries Limited | £0.10 ordinary shares | 100% | Wine production |

12 Stock

| | Group | | Company | |
|------------------|------------------|----------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Raw materials | 15,851 | 11,811 | - | - |
| Work in progress | 1,354,157 | 854,594 | - | - |
| Finished goods | <u>13,402</u> | <u>26,176</u> | <u>-</u> | <u>-</u> |
| | <u>1,383,410</u> | <u>892,581</u> | <u>-</u> | <u>-</u> |

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

13 Debtors

| | Group | | Company | |
|------------------------------------|----------------|---------------|------------------|------------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Trade debtors | 157,709 | 50,471 | - | - |
| Amounts owed by group undertakings | - | - | 5,031,061 | 3,532,327 |
| Other debtors | 404,663 | 3,454 | 399,841 | 226 |
| Directors' current accounts | 348 | 1,231 | - | - |
| Prepayments and accrued income | - | 3,098 | - | - |
| | <u>562,720</u> | <u>58,254</u> | <u>5,430,902</u> | <u>3,532,553</u> |

14 Creditors: Amounts falling due within one year

| | Group | | Company | |
|---------------------------------|----------------|----------------|----------------|--------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Trade creditors | 188,727 | 48,574 | 40,906 | - |
| Other taxes and social security | 7,425 | 7,217 | - | - |
| Other creditors | 42,939 | 2,775 | 38,529 | - |
| Accruals and deferred income | 105,459 | 64,361 | 60,176 | 6,000 |
| | <u>344,550</u> | <u>122,927</u> | <u>139,611</u> | <u>6,000</u> |

15 Creditors: Amounts falling due after more than one year

| | Group | | Company | |
|------------------------------|------------------|------------------|------------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| Preference shares | 500,002 | - | 500,002 | - |
| Other loans | 2,249,804 | 600,000 | 2,249,804 | - |
| Accruals and deferred income | 435,872 | 451,520 | - | - |
| | <u>3,185,678</u> | <u>1,051,520</u> | <u>2,749,806</u> | <u>-</u> |

Creditors amounts falling due after more than one year includes the following liabilities, on which security has been given by the group/company:

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

Group and Company

| | 2015 | 2014 |
|-------------|------------------|-------------|
| | £ | £ |
| Other Loans | <u>2,249,804</u> | <u>-</u> |

Other loans are secured by way of a first fixed and floating charge over all assets present and future dated 22 July 2015. The charge is in favour of Guinness Mahon Trust Corporation Limited in their capacity as security trustee on behalf of the secured parties being the noteholders from time to time.

| | Group | | Company | |
|---|----------------|----------------|----------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| After more than five years not by instalments | <u>373,287</u> | <u>388,934</u> | <u>-</u> | <u>-</u> |

16 Share capital

Allotted, called up and fully paid shares

| | 2015 | | 2014 | |
|-------------------------------|------------------|----------------|------------------|----------------|
| | No. | £ | No. | £ |
| Ordinary shares of £0.10 each | <u>9,289,010</u> | <u>928,901</u> | <u>9,289,010</u> | <u>928,901</u> |

New shares allotted

During the year 227,273 8% preference shares having an aggregate nominal value of £500,002 were allotted for an aggregate consideration of £500,002.

Redeemable preference shares

The 8% preference shares are redeemable. They are redeemable at £2 per share and carry no voting rights. On a winding up of the company the holders of the shares have a right to receive repayment of capital paid up and any arrears of dividend, in priority to any distribution to the ordinary shareholders.

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

17 Reserves

Group

| | Share premium account £ | Profit and loss account £ | Total £ |
|---------------------|----------------------------------|---------------------------------|------------------|
| At 1 December 2014 | 3,199,149 | (1,427,506) | 1,771,643 |
| Loss for the year | - | (525,846) | (525,846) |
| At 30 November 2015 | <u>3,199,149</u> | <u>(1,953,352)</u> | <u>1,245,797</u> |

Company

| | Share premium account £ | Profit and loss account £ | Total £ |
|---------------------|----------------------------------|---------------------------------|------------------|
| At 1 December 2014 | 3,199,149 | (33,168) | 3,165,981 |
| Loss for the year | - | (177,476) | (177,476) |
| At 30 November 2015 | <u>3,199,149</u> | <u>(210,644)</u> | <u>2,988,505</u> |

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

18 Reconciliation of movement in shareholders' funds

Group

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Loss attributable to the members of the group | (525,846) | (281,747) |
| Net reduction to shareholders' funds | (525,846) | (281,747) |
| Shareholders' funds at 1 December | 2,700,544 | 2,982,291 |
| Shareholders' funds at 30 November | <u>2,174,698</u> | <u>2,700,544</u> |

Company

| | 2015 £ | 2014 £ |
|---|------------------|------------------|
| Loss attributable to the members of the company | (177,476) | (7,992) |
| Net reduction to shareholders' funds | (177,476) | (7,992) |
| Shareholders' funds at 1 December | 4,094,882 | 4,102,874 |
| Shareholders' funds at 30 November | <u>3,917,406</u> | <u>4,094,882</u> |

Share-based payment transactions

Share options

On 31 March 2011 options over 40,000 shares were issued, exercisable at £1 per share at any time until 3 January 2021. No performance conditions are attached to these options. As the options can be vested at any date and given the uncertainty surrounding the future share price of the company, the fair value of the options at 30 November 2015 is considered to be £1 per share i.e. the market price at which the shares have now been issued. No expense is therefore recognised in the profit and loss account. No options were exercised during the year.

Warrants

A warrant of 3% of the fully diluted issued share capital of the company had been planned for fund raising. Under a warrant instrument dated 4 January 2011 and varied by way of an agreement in May 2012, Brooks Macdonald Funds Limited can subscribe for up to 1% of the fully diluted issued share capital of the company at a price of £1 per share at any time up to the fifth anniversary of issue. As the warrants can be exercised at any time and given the uncertainty surrounding the future share price of the company, the fair value of the warrants at 30 November 2015 is considered to be £1 per share i.e. the market price at which the shares have been issued. No expense is therefore recognised in the profit and loss account. No warrants were exercised in the year.

19 Government grants

Included in accruals and deferred income, within creditors: amounts falling due within one year and creditors: amounts falling due after more than one year, are government grants amounting to £15,646 and £435,873 respectively (2014 - £15,646 and £451,520).

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

20 Commitments

Operating lease commitments

Group

As at 30 November 2015 the group had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

| | 2015 £ | 2014 £ |
|---------------------------|-------------------------|-------------------------|
| Land and buildings | | |
| Over five years | <u>15,469</u> | <u>15,469</u> |
| Other | | |
| Within two and five years | <u>16,800</u> | <u>16,800</u> |

21 Analysis of net debt

| | At 1 December 2014 £ | Cash flow £ | At 30 November 2015 £ |
|-----------------------------------|---|------------------------------|--|
| Cash at bank and in hand | 179,448 | 855,315 | 1,034,763 |
| Debt due after more than one year | (600,000) | (2,149,806) | (2,749,806) |
| Net debt | <u>(420,552)</u> | <u>(1,294,491)</u> | <u>(1,715,043)</u> |

22 Related party transactions

Other related party transactions

During the year the company made the following related party transactions:

I J Kellett

(Director)

During the year the subsidiary reimbursed the director for business expenses paid privately. The subsidiary also paid expenses on behalf of the director during the year. The director also had a loan account provided by the subsidiary of £4,645 against which a number of repayments have been made and no interest has been charged. At the balance sheet date the amount due from I J Kellett was £348 (2014 - £1,762).

W M Robinson

(Director)

During the year the director recharged expenses of £2,118 (2014 - £1,207) to the company. At the balance sheet date the amount due to W M Robinson was £nil (2014 - £255).

HAMBLEDON VINEYARD PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

J A B Armit

(Director)

During the year the director recharged expenses of £nil (2014 - £92) to the company.. At the balance sheet date the amount due to J A B Armit was £nil (2014 - £nil).

Kellett Family Trust

(Trust under common control)

During the year Kellett Family Trust provided goods and services to the company amounting to £22,590 (2014 - £6,798). At the balance sheet date the amount due to Kellett Family Trust was £12,090 (2014 - £nil).

Brookes Capital Limited

(Company under common control)

During the year the company purchased bottles of wine for £38,107 from Brookes Capital Limited (2014 - £78,795). At the balance sheet date the amount due (to)/from Brookes Capital Limited was (£15,977) (2014 - £914).

The company has taken advantage of the exemption in FRS8 "Related Party Disclosures" from disclosing transactions with other members of the group.

23 Control

The company is controlled by I J Kellett by virtue of his 58% (2014 - 58%) beneficial holding of the ordinary share capital.