THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take or the contents of this document you should consult a person authorised under the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus and has been drawn up in accordance with the Public Offers of Securities Regulations 1995. A copy of this Prospectus has been delivered for registration to the Registrar of Companies in England and Wales in accordance with Regulation 4(2) of those Regulations.

The Directors of the Company whose names appear on page 3 of this document accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and there are no other facts the omission of which would affect the import of such information. All the Directors accept responsibility accordingly. In connection with this Prospectus and/or the Offer, no person is authorised to give any information or make any representation other than as contained in this Prospectus.

The share capital of the Company is not presently listed or dealt in on any stock exchange. It is intended that an application will be made for all the Ordinary Shares of the Company to be traded through OFEX, a market operated by OFEX plc to allow trading in the shares of unquoted companies. **It is emphasised that no application is being made for the admission of the Ordinary Shares to the Official List of the UK Listing Authority or to trade on the Alternative Investment Market ("AIM") of the London Stock Exchange. The rules of OFEX are less demanding than those of the Official List or of AIM.**

English Wines Group plc

(Incorporated in England and Wales under the Companies Act 1985 with Registered Number 4362181)

Offer for Subscription

of up to 6,666,666 Ordinary Shares of 5p each
at a price of 15p per share payable in full on application

Share Capital of the Company immediately following the Offer

(assuming full subscription of the Offer Shares but excluding any over-subscription allocation of Shares as described in this prospectus)

Authorised			*Issued*	
Amount	*Number*		*Amount*	*Number*
£2,150,000	43,000,000	Ordinary Shares of 5p each	£998,233	19,964,666
£200,000	200,000	'A' Preference Shares of £1 each	£200,000	200,000
£200,000	200,000	'B' Preference Shares of £1 each	£200,000	200,000

Ruegg & Co Limited, which is regulated by the Financial Services Authority and is a member of OFEX, is the Company's Corporate Adviser for the purposes of the Offer. JM Finn & Co, which is regulated by the Financial Services Authority and is a member of OFEX and the London Stock Exchange, is the Company's Stockbroker for the purposes of the Offer.

The advisers named on page 3 are acting for the Company and for no one else in relation to the arrangements proposed in this document and will not be responsible to anyone other than the Company for providing the protections afforded to clients of such advisers or for providing advice in relation to the Offer.

The Ordinary Shares which are the subject of the Offer will rank in full for all dividends or other distributions hereafter declared, made or paid on the ordinary share capital of the Company and will rank *pari passu* in all respects with all other Ordinary Shares which will be in issue on completion of the Offer.

The subscription list for the Offer Shares will open at 10.00 am on 15 February 2003 and may be closed at any time thereafter, but not later than 3.00 pm on 24 March 2003 unless at the discretion of the Directors it is extended beyond that date. The terms and conditions and procedure for application are set out in Part IV of this Prospectus and the application form is set out at the end of this document. Legally binding commitments in respect of 3,333,333 Ordinary Shares at the Offer Price have been received.

The whole text of this document should be read. An investment in English Wines Group plc involves a high degree of risk and, in particular, attention is drawn to the section entitled "Risk Factors" in Part I of this document. An investment in the Company may not be suitable for all recipients of this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

CONTENTS

	Page
DIRECTORS, SECRETARY AND ADVISERS	3
DEFINITIONS	4
KEY INFORMATION	5
OFFER STATISTICS	6
PART I: **INFORMATION ON THE GROUP**	7
Part II: **ACCOUNTANTS' REPORT**	16
Part III: **STATUTORY AND GENERAL INFORMATION**	52
Part IV: **TERMS AND CONDITIONS AND PROCEDURE FOR APPLICATION**	65
APPLICATION FORM	69

DIRECTORS, SECRETARY AND ADVISERS

Directors	Paul Brett	*Non-Executive Chairman*
	Simon Patrick Hume-Kendall	*Non-Executive Deputy Chairman*
	Frazer Douglas Thompson	*Managing Director*
	Christopher Kerr Brown	*Finance Director*
	Adrian Peter Drewe	*Non-Executive Director*
	Paul Richard Kraftman	*Non-Executive Director*
	All of:-	
Registered Office	Tenterden Vineyard Park Small Hythe Tenterden Kent TN30 7NG	
Company Secretary	Christopher Kerr Brown	
Corporate Adviser	Ruegg & Co Limited 39 Cheval Place Knightsbridge London SW7 1EW	
Stockbroker	J M Finn & Co Salisbury House London Wall London EC2M 5TA	
Auditors and Reporting Accountants	Creaseys 12 Lonsdale Gardens Tunbridge Wells Kent TN1 1PA	
Solicitors to the Company and the Offer	Thomson Snell & Passmore 3 Lonsdale Gardens Tunbridge Wells Kent TN1 1NX	
Bankers	Barclays Bank plc 73 Calverley Road Tunbridge Wells Kent TN1 2UZ	
Registrars and Receiving Agents	Northern Registrars Limited Northern House Woodsome Park Fenay Bridge Huddersfield HD8 0LA	

DEFINITIONS

In this Prospectus, where the context permits, the expressions set out below shall bear the following meanings:

"the Act"	the Companies Act 1985, as amended;
"Admission"	Admission of the Ordinary Shares, in issue and to be issued pursuant to the Offer, to trading on OFEX;
"Application Form"	the application form for use in connection with the Offer set out at the end of this document;
" 'A' Preference Shares"	the 'A' Preference Shares of £1 each in the capital of the Company;
"Arranger Warrant"	the Warrant to subscribe for Ordinary Shares at the Offer Price representing up to 7.5 per cent of the enlarged issued share capital of the Company following the closing of the Offer to be issued to Ruegg;
" 'B' Preference Shares"	the 'B' Preference Shares of £1 each in the capital of the Company;
"Combined Code"	The Principles of Good Governance and Code of Best Practice prepared by the Committee on Corporate Governance and published in June 1998;
"Committed Investor Agreements"	The agreements between the Committed Investors and the Company described in paragraph 13.1 of Part III of this Prospectus;
"Committed Investors"	The investors who have committed to subscribe for Offer Shares as described in paragraph 13.1 of Part III of this Prospectus;
"Company" or "English Wines Group"	English Wines Group plc;
"Directors" or "Board"	the board of directors of the Company;
"English Wines"	English Wines plc, a wholly owned subsidiary of the Company;
"Group"	the Company and English Wines;
"London Stock Exchange"	London Stock Exchange plc;
"OFEX"	a market operated by OFEX plc which is regulated by the Financial Services Authority, which allows trading in the shares of unquoted companies;
"Offer"	the invitation by the Company to subscribe for the Offer Shares set out in this document;
"Offer Price"	the offer price of 15p per Offer Share;
"Offer Shares"	up to 6,666,666 Ordinary Shares which are the subject of the Offer;
"Ordinary Shares"	the ordinary shares of 5p each in the capital of the Company;
"POS Regulations"	the Public Offers of Securities Regulations 1995 (as amended);
"Preference Shares"	the 'A' Preference Shares and the 'B' Preference Shares;
"Prospectus"	this document;
"Ruegg" or "Ruegg & Co."	Ruegg & Co Limited

KEY INFORMATION

The following information is derived from and should be read in conjunction with the full text of this Prospectus.

THE BUSINESS

The Group's core business is the production, marketing and sale of English wine. This is supported by two retail outlets, two cafés and a public house, all specialising in selling the Group's wines.

KEY STRENGTHS

- A strong and experienced management team
- Wines and sparkling wines already established in the market place and sold in major supermarkets, pubs, restaurants and on British Airways
- Market leading position with the Directors estimating that the Group's products account for approximately 50 per cent of commercial English wine sales
- Significant tangible assets; property, plant and equipment, and inventory
- Significant growth potential in drinks including the scope for extending the product range to niche beers and ciders
- Significant growth potential in pubs focused on selling the Group's drinks brands
- Strong brand value and development potential
- The Directors believe that barriers to entry are high
- The co-operation of major growers ensures that the Group is able to purchase quality, premium grapes reducing the risk of the impact of weather.

PROSPECTS

The Group aims to:

- Increase annual production from 500,000 bottles to 900,000 bottles by 2008;
- Increase annual sales from 435,000 bottles to 850,000 bottles by 2008: the Directors aim to achieve this by increased distribution in national supermarket and off-licence chains, direct sales to the consumer and increased sales through the Company's own outlets;
- Increase the number of wine and food led public houses from 1 to 15 by 2008.

SHAREHOLDER PERK: WINE "DIVIDEND"

The Company intends to give to shareholders, once a year, a case of wine in respect of each 35,000 Ordinary Shares which they hold. At present retail prices, the value of a case would be approximately £80 which is equivalent to a dividend yield of 1.5 per cent (against a shareholding of 35,000 Ordinary Shares worth £5,250 at the Offer Price).

TERMS OF THE OFFER

Up to 6,666,666 Ordinary Shares are being offered for subscription at 15p per share to raise £1,000,000 before expenses. Legally binding commitments have been received from the Committed Investors in respect of 3,333,333 Offer Shares. In the event of over-subscription, the Directors reserve the right to accept additional subscriptions of up to 1,666,666 Offer Shares.

EIS (ENTERPRISE INVESTMENT SCHEME) TAX RELIEFS

The Company has sought confirmation from the Inland Revenue that the Company will be treated as carrying on a qualified trade for the purpose of the Enterprise Investment Scheme. Provisional confirmation has been received that this will be accepted.

OFFER STATISTICS

Offer Price	15p
Market Capitalisation at the Offer Price on Admission	£2,994,699.90
Number of Ordinary Shares in issue following the Offer assuming maximum subscription	19,964,666
Proportion of enlarged issued ordinary share capital now being offered, assuming maximum subscription (excluding options and warrants)	33.39%
Number of Offer Shares, the subject of the Offer	6,666,666
Gross proceeds receivable by the Company pursuant to the Offer (assuming full subscription)	£1,000,000

Note: In the event of over-subscription the Directors reserve the right to issue up to an additional 1,666,666 Ordinary Shares at the Offer Price.

PART I INFORMATION ON THE GROUP

INTRODUCTION

The Group's core business is the production, marketing and sale of English wine. This is supported by two retail outlets, two cafés and a public house, all specialising in selling the Group's wines. During the last year the Group has focused on the creation of a new brand in the wine market – "Curious Grape" – which is capable of extension into beer ("Curious Brew") and cider ("Curious Apple") and the development of "Chapel Down" as an English sparkling wine brand. The Group's wines are stocked by a wide range of leading supermarkets, off-licenses and on-trade outlets and there has been significant growth in sales of the Group's wines through the Group's public house since its acquisition in May 2002.

BACKGROUND

The Company was incorporated on 28 January 2002 as a public limited company and is the holding company owning the entire issued share capital of English Wines plc. English Wines was incorporated in April 2000 and arose as a result of the merger of two of England's largest vineyards: Tenterden Vineyard in Tenterden, Kent (which is best known for Chapel Down wines) and Lamberhurst Vineyard near Tunbridge Wells, Kent.

Both vineyards were originally established in the 1970s. Tenterden Vineyard was established in 1977, increasing its acreage and reputation over the next 20 years. Tenterden now has some 20 acres of vines and the grape varieties include Pinot Noir, Bacchus, Rondo and Seyval Blanc. There are 15 acres of vines at Lamberhurst and grape varieties include Bacchus, Rondo, Schoenburger and Seyval Blanc.

The making and bottling of wine from both vineyards has, since the beginning of 2001, been largely consolidated in Tenterden to take advantage of economies of scale in production, procurement and administration.

There has been considerable capital investment at the Tenterden site, particularly in new equipment for the making, bottling and storage of wines. The site visitor facilities include a herb garden, children's playground, rural museum, function room, wine tasting area and a café. The facilities at Lamberhurst also include a shop, storage cellars, a plant centre and tourist catering facilities. In May 2002 the Group took over the lease of the Swan Public House at the Lamberhurst site.

Tenterden Vineyard Park consists of approximately 65 acres, of which 20 acres are vined as well as a 20,000 square foot shop, customs bond, winery and tourist attractions. The Group owns the freehold subject to a mortgage details of which are described in paragraph 10 of Part III. Lamberhurst Vineyard Park consists of 46 acres, of which 15 acres are vined. The land under vines is rented on a lease which expires in November 2010. The property includes 20,000 square-feet of shop, agricultural buildings, customs bond and cellar. Details of the lease are described in paragraph 10 of Part III.

The Swan at the Vineyard Public House is rented on a 15 year lease, details of which are described in paragraph 10 of Part III.

The Group holds a number of licences to enable it to carry out its business:

Tenterden	– Wine Producer's excise licence; Shop licence for wine, beer, and cider
Lamberhurst	– Excise warehouse licence, wine producer's licence, compounder's licence for all alcohol; full shop licence to sell all types of alcohol
Public House	– full on and off-licence

THE ENGLISH WINE MARKET

There are around 350 vineyards in England. Around 80 per cent of English vineyards have relatively small holdings and sell their wines directly from the vineyard and/or locally. The four largest vineyards growing grapes in commercial quantities are Denbies (in Dorking), New Hall (in Maldon), Three Choirs (in Newent) and the Group with approximately 200 hectares under vine in total. White wines dominate with higher priced sparkling wines comprising a rapidly increasing percentage of production, but red wines (using Pinot Noir, Rondo and Dornfelder grapes) are increasingly available. Certain varieties of grape do well in cool, temperate climates, like the English. Some varieties are already becoming well-known and popular, such as Pinot Noir, and Pinot Blanc. Others such as Bacchus, Dornfelder, Schonburger and Huxelrebe still require more marketing spend to create greater awareness.

OPERATIONAL ACTIVITIES

The Group produces high quality English sparkling wines (Chapel Down) and still English red and white table wines under the ''Curious Grape'' brand. There are four sparkling wines and 12-14 still wines in the portfolio. These wines are sold through supermarkets (such as Tesco, Sainsbury, Waitrose, Co-op and Safeway), multiple off-licences (such as Majestic), on-trade outlets (such as Mathew Clark), independent off-licences (such as Fortnum & Mason, Loeb & Co and Philglas & Swiggit), other independent on-trade outlets (such as Hotel du Vin, Lochfyne Restaurants and The Savoy Hotel), direct via mail and website, via the Group's shops and public house at Tenterden and Lamberhurst, and to British Airways and other corporate clients. The Group also makes wines for small producers under contract.

At its two vineyards and its food and wine-led pub, the Group provides consumers with an English wine experience.

Some of the key strengths of the Group are:

- A strong and experienced management team
- Wines and sparkling wines already established in the market place and sold in major supermarkets, pubs, restaurants and on British Airways
- Market leading position with the Directors estimating that the Group's products account for approximately 50 per cent of commercial English wine sales
- Significant tangible assets; property, plant and equipment, and inventory
- Significant growth potential in drinks including the scope for extending the product range to niche beers and ciders
- Significant growth potential in pubs focused on selling the Group's drinks brands
- Strong brand value and development potential
- The Directors believe that barriers to entry are high
- The co-operation of major growers ensures that the Group is able to purchase quality, premium grapes reducing the risk of the impact of weather.

SALES AND MARKETING

The Group distributes via most of the major supermarket chains and many major off-licences and has done so with modest marketing spend to date. The Directors intend to increase the level of marketing activity in order to increase sales and to create greater brand awareness.

The Directors estimate that approximately 70,000 visitors were received at the two vineyard parks over the past 12 months and there is an opportunity to improve facilities and spend per head both in the shops with new gift items and in the cafés through more advertising and promotional activities.

BUSINESS STRATEGY

In addition to developing the ''Chapel Down'' sparkling wine brand, the Directors believe that their strategy is to build a strong, high quality brand using the ''Curious'' trademark which will become synonymous with unusual, distinctive and interesting drinks. This could be extended to beers from unusual ingredients under the ''Curious Brew'' brand and to ciders made from single varietal English dessert apples under the ''Curious Apple'' brand.

The Group has a 15 year lease on a public house adjacent to the vineyard at Lamberhurst. It is intended that this pub will be renamed ''The Curious Grape''. All wines sold there are produced by the Group. The Directors believe that there is an opportunity to grow the number of pubs managed by the Group to fifteen by 2008. An Operations Manager has been appointed to oversee this project.

The Group aims to:

- increase annual production from 500,000 bottles per annum to 900,000 by 2008;
- increase annual sales from 435,000 bottles to 850,000 bottles by 2008: the Directors intend to achieve this by increased distribution in national supermarket chains and off-licence chains, direct to consumer sales and increased sales through the Group's own outlets;

- increase the number of wine and food led public house outlets under management from 1 to 15 by 2008.

MARKET

Wine consumption by volume for all still, sparkling and fortified wines grew by 36 per cent over the period 1993 to 2000. Despite this per capita consumption in the United Kingdom is still only 25 per cent of that in France, Portugal or Italy. Wine consumption is forecast to rise in the UK, by some 37 per cent in value and 25 per cent in volume between 2000 and 2005 (source Mintel). According to Mintel, highest growth is being achieved in premium wines, i.e. those that retail at more than £4 per bottle. The Directors believe that the Group produces wine of excellent quality, as is evidenced by a number of international awards and favourable press coverage. For example, the Group's "Bacchus" wine was named by Anthony Rose of the Independent, as one of his "top 10 wines" for under £10 per bottle. In 2002, the Group's wines won 24 awards at the United Kingdom Vineyards Association Awards, scooping 5 of the top 11 awards and the Group winemaker, Owen Elias, being named "Winemaker of the Year".

According to Mintel, the dominance of French wine is declining. Wines from a number of countries now have credibility, led by Australia, New Zealand, USA and South Africa and more recently Argentina, Chile and Eastern Europe. This means that the UK consumer is open to a new wine experience and the Directors believe that "Englishness" is a positive selling point. English Wines is the market leader as far as sales of English produced wine is concerned and the Directors estimate that the Group's products account for approximately 50 per cent share of all English wine sales through third parties.

According to Mintel, the market for sparkling wines is forecast to show a 48 per cent growth at current prices over the next 5 years, to attain a market value of just over £600 million by 2006. The Group's sparkling wines, marketed under the Chapel Down brand, are positioned to benefit from this growth in the market.

COMPETITION

The wine market is highly fragmented with numerous producers from a wide range of countries. The Group thus has many competitors, almost entirely from overseas producers. There are also a number of English wine producers who can be considered to be competitors.

DIRECTORS

Paul Brett, aged 58, *Chairman (Non-Executive)*

Paul is a graduate of Liverpool University, and has worked in marketing in both Unilever and RHM Foods. At RHM he was Brand Manager for Bisto and Paxo, and Marketing Manager for McDougall's Flour. He joined Thomson Travel Group in 1979 to establish Portland Holidays, and became its first Managing Director. He was subsequently Managing Director of Lunn Poly and Thomson Holiday within the group, and became CEO of Thomson Travel Group in 1989, serving in that position for 10 years until his retirement in July 1999. At that time, Thomson Travel was the UK market leader in leisure travel, with an annual turnover of some £3 billion. He is now Non-Executive Chairman of English Wines Group plc and two other leisure companies

Simon Patrick Hume-Kendall, aged 49, *Deputy Chairman(Non-Executive)*

Having attended Kings College at London University, Simon commenced working with the Sedgwick Group, a major marine Lloyds insurance broker in 1975. In 1981 he assisted in the reverse takeover of Common Brothers Limited, one of Britain's oldest quoted ship-owning companies, becoming a director and significant investor in the company. He was also deputy chairman and assisted in the building of its insurance broking subsidiary, Harrison Horncastle Group, a medium sized Lloyds insurance broker. By 1985 Simon started his own ship owning and ship repairing operations, which merged with A&P Appledore plc to form Britain's largest ship repairing group. Having disposed of his interests to Highland Participations plc in 1987, Simon started his own organisation joint venturing with the former Soviet Union and eastern European governments with a view to upgrading and rebuilding their fleets. In 1994 Simon was one of the co-founders of Burren Energy plc, one of the largest independent oil companies in the UK. Simon retains a significant interest in a number of shipping ventures and has assisted in seven capital raisings and mergers and acquisitions transactions.

Frazer Douglas Thompson, aged 43, *Managing Director*

Frazer graduated in 1981 from Greenwich University with a B.A. (Hons) in Business Studies and joined Media Audits Limited before moving to Express Newspapers. He started his marketing career with a 2 year spell at Denby Coloroll, before joining Whitbread Inns as Operational Standards Manager for their Inns division, responsible for 650 managed pubs in the North of England. He was part of a small team that developed the Brewer's Fayre concept and rolled it across the estate. He was promoted to Marketing Manager-Ales in 1986 and then continued to progress through the Whitbread organisation as a brand and marketing executive. At the age of 29, having led a team to acquire and integrate the Boddingtons brand and develop a highly successful strategy as a response to the Beer Orders, he was made a director of Whitbread plc. He launched the famous Boddingtons advertising campaign and the draughtflow widget before moving on to the lager portfolio of Heineken and Stella Artois. After the increase of Stella's market share to double that of its nearest competitor and improved profitability on Heineken, he moved into business development and strategy as Strategy Director of the Whitbread Beer Co. During that time he attended the London Business School and INSEAD at Fontainbleu as part of his management training. He was poached by Heineken NV in 1995 to become Global Brand Director for the Heineken trademark, responsible for a direct spend of $150 million and influence over $550 million spend by local operating companies. He is a well-known figure in the brewing and marketing world. In September 2001 he returned to the UK and accepted the position of Managing Director of English Wines in November 2001.

Christopher Kerr Brown, aged 47, *Finance Director*

Chris trained with Creaseys, a local Chartered Accountants firm, before joining Stenoak Fencing Limited in 1983 when the company had a turnover of under £1 million and he was appointed as Finance Director in 1996. He was part of the team that floated Stenoak Services plc on AIM in 1999. Stenoak Services plc then acquired Associated Holdings Limited in June 2000 with a further successful placing, taking the turnover to over £100 million. He then left Stenoak and concentrated on assisting in the purchase, development and management of Lamberhurst Vineyard. He is Finance Director of English Wines Group. He continues to be a director of several other private companies.

Adrian Peter Drewe, aged 57, *Director (Non-Executive)*

Adrian is a director of Drewe and Hume-Kendall Investments Limited, an investment company that owns shares in several diverse industries and property including vineyards in England. He was part of the Stenoak Services plc flotation team to AIM in 1999. Adrian is a founder member of English Wines plc. Adrian planted his own small vineyard twenty years ago at Ticehurst in East Sussex. He is a landowner in Sussex.

Paul Richard Kraftman, aged 41, *Director (Non-Executive)*

Paul graduated from Kingston University in 1983 and joined the family electrical retail business, Tempo. Having a background in retail and having played a key role at Tempo, Paul brings board level marketing experience to the Group. Paul is currently developing a new retail project, Menkind Stores, with plans to open a number of stores across the UK.

SENIOR MANAGEMENT

Owen Elias, *Wine Maker*

Owen is a graduate of the Chelsea School of Fine Art and after an early career in the music industry trained in winemaking at Plumpton College. His early training in wine-making included a spell in the developing Argentinian wine industry. Owen has been making wine in England for the last ten years, winning numerous awards and culminating in being named "Winemaker of the Year" by the UK Vineyards Association in 2002.

Cliff Marsh, *Retail Manager*

Cliff spent 20 years in the Co-operative movement in a variety of senior management positions, including Retail Operations Controller supervising a business with an annual turnover of over £260 million. He then joined Holland & Barrett, Europe's leading health food retailer, as Senior Operations Manager, responsible for the performance of 252 high street outlets. Having successfully generated incremental profit and turnover, he left to purchase a 15th century coaching inn, which he developed into a thriving food-led destination venue. He has now sold his pub to join English Wines.

Stuart Aitken, *Sales Consultant*

Stuart works with major accounts, including the large supermarket chains. He was previously managing director of Whitbread's National Sales Division and managing director of their take-home division. Stuart's early career was spent with Colgate-Palmolive and Proctor & Gamble.

Employees

The Group has approximately a further 35 employees (of which about 13 are part time) spread over a number of departments, including sales, marketing, production, finance, retail, catering and bar staff.

TRADING RECORD

The trading record of the Group for the period from incorporation of the Company's wholly-owned subsidiary on 25 April 2000 until 30 September 2002, extracted from the Accountants' Report set out in Part II of this document, is summarised below:

	Period ended 30 September 2001	Period ended 30 September 2002
Turnover	981,929	1,470,927
Gross Profit	279,132	635,512
Operating Profit/(Loss)	(95,366)	32,364
Profit/(Loss) on ordinary activities before taxation	(191,038)	(12,424)

The Group has enjoyed significant growth in turnover and has reduced its losses significantly almost to break-even point.

CORPORATE GOVERNANCE

The Company intends to develop appropriate measures to ensure that it will (as far as practicable having regard to its size) comply with the Combined Code.

The Company has adopted and will operate a share dealing code for Directors in the same terms as the Model Code for companies whose shares have been admitted to the Alternative Investment Market ("AIM") of the London Stock Exchange.

The Company has also undertaken that it will issue announcements on the OFEX Newstrack Service.

THE ARRANGER WARRANT

The Company has agreed to grant Ruegg an Arranger Warrant which will entitle Ruegg to subscribe for Ordinary Shares representing up to 7.5 per cent of the issued share capital of the Company at the closing of the Offer at the Offer Price at any time in the five years following the date of this Prospectus.

EMPLOYEE SHARE OPTION SCHEMES

The Company has granted options to Frazer Thompson entitling him to subscribe for up to 1,968,450 Ordinary Shares at an exercise price of 12.5p per share (or such other price as may be agreed with the Inland Revenue) over the next four years ("the Senior Options").

In addition to the Senior Options, the Directors are proposing to implement an Inland Revenue approved share option scheme for the benefit of certain employees. The scheme will be implemented in accordance with all statutory requirements. The maximum aggregate amount of options which the Directors will grant under the scheme before seeking approval from shareholders is 5 per cent of the issued share capital of the Company from time to time. The exercise prices of these options shall be not less than the Offer Price.

The precise terms of the share option scheme for employees have yet to be settled and will be influenced by the conditions in a competitive recruitment market. However, subject to such market conditions, it is intended that they should contain conventional terms as to the times when options can be exercised, provisions to deal with the circumstances of employment ceasing and events such as a take-over of the Company or variations in the share capital of the Company. Further consideration will also be given as to whether the exercise of options should be subject to any performance conditions and if so, what those performance conditions should be.

MARKETABILITY OF SHARES AND OFEX

It is intended that an application will be made for the Company's issued Ordinary Shares to be traded on the OFEX market and the Offer is conditional upon the grant of permission to trade Ordinary Shares on OFEX being obtained. OFEX is a market operated by OFEX plc and is not part of the London Stock Exchange. OFEX has a comprehensive company information and announcement system called Newstrack, which is presently distributed by Bloomberg, Thomson Financial and Reuters. Newstrack is an electronic news and information service for professional intermediaries which carries information on OFEX companies, announcements by such companies and other information on OFEX including mid-prices. Newstrack is available to private investors through the Internet at www.ofex.com. It is intended that the Company's share price will be published daily in the *Financial Times*.

Any individual wishing to buy or sell shares, which are traded on the OFEX market, must trade through a stockbroker (being a member of the OFEX market and regulated by the Financial Services Authority) as the market's facilities are not available directly to the public.

The share capital of the Company is not presently listed or dealt in on any stock exchange. It is intended that an application will be made for the Ordinary Shares of the Company to be traded through OFEX, which allows trading in the shares of unquoted companies. It is emphasized that no application is being made for admission of these securities to the Alternative Investment Market of the London Stock Exchange or the Official List of the UK Listing Authority.

TERMS OF THE OFFER

Existing shareholders are not selling any Ordinary Shares pursuant to the Offer and up to 6,666,666 new Ordinary Shares are being issued by the Company, representing a total of 33.39 per cent of the issued share capital of the Company immediately following the Offer (assuming maximum subscription). In the event of over-subscription, the Directors reserve the right to issue up to an additional 1,666,666 Ordinary Shares at the Offer Price.

The Offer is conditional upon the Company's application to join OFEX being accepted. Investors may apply for a minimum of 10,000 Offer Shares (£1,500) and thereafter in multiples of 1,000 Offer Shares (£150). Applications must be made on the Application Form. Details of the procedure for application for Offer Shares are set out in Part IV of this document. The Directors reserve the right to reject in whole or in part or to scale down any application.

The subscription list will open at 10.00 am on 15 February 2003 and may be closed at any time thereafter but in any event no later than 3.00 pm on 24 March 2003, unless extended by the Directors. The subscription price of 15p per Offer Share is payable in full on application.

The Offer Shares will, following allotment, rank *pari passu* in all respects with the existing issued Ordinary Shares and will have the right to receive all dividends and other distributions hereafter declared, made or paid in respect of the issued ordinary share capital of the Company.

SHAREHOLDER PERK: WINE "DIVIDEND"

The Company intends to give to shareholders, once a year, a case of wine in respect of each 35,000 Ordinary Shares which they hold. At present retail prices, the value of a case would be approximately £80 which is equivalent to a dividend yield of 1.5 per cent (against a shareholding of 35,000 Ordinary Shares worth £5,250 at the Offer Price).

COMMITTED INVESTORS

The Company has entered into investment agreements (''Committed Investor Agreements'') with each of Paul Brett, Lamberhurst Vineyards (2000) Limited, Paul Kraftman, Gledhow Investments plc, Neil Fergusson (Chemist) Limited, Graham Simpson, Yianna Simpson, Christopher Radmore, Christopher Brown and John Clive Mattock (together the ''Committed Investors'') pursuant to which the Committed Investors have agreed to subscribe for 833,333 Offer Shares and conditionally to subscribe for up to a further 2,500,000 Offer Shares to the extent that these are not taken up by investors pursuant to the Offer. The Committed Investor Agreements are conditional upon Admission taking place by no later than 30 April 2003. As consideration for these commitments, the Company has agreed to grant warrants to the Committed Investors entitling them to subscribe for 1,666,666 new Ordinary Shares at the Offer Price at any time for a period of 5 years from the date of grant. Further details of the Committed Investor Agreements are provided in paragraph 13.1 of Part III.

REASONS FOR THE OFFER

The Offer will raise approximately £900,000 for the Company net of expenses (assuming full subscription of the Offer Shares). The net proceeds of the Offer will be used for working capital purposes and also to provide funds to finance growth: this includes an increase in spending on marketing and branding as well as refurbishment of retail outlets. The Directors believe that the profile of the Company will be significantly enhanced by its position as a company whose shares are traded on OFEX. None of the Directors is selling any Ordinary Shares in or as a consequence of the Offer.

DIRECTORS' INTERESTS

The Directors' interests following the Offer are set out in paragraph 4 of Part III of this document. In aggregate, the Directors will be interested in 12,033,825 Ordinary Shares following Admission, representing approximately 60.3 per cent of the Company's issued share capital assuming full subscription of the Offer Shares. The Directors have undertaken not to sell any Ordinary Shares without the prior consent of Ruegg for a period of 12 months from the date of Admission, except in certain circumstances.

THE CITY CODE ON TAKEOVERS AND MERGERS ("THE CODE")

Rule 9 of the Code ("Rule 9") stipulates, amongst other things, that a person or group of persons acting in concert who either, (a) acquire shares carrying 30 per cent or more of the voting rights of a public company or, (b) whilst already holding between 30 and 50 per cent of the shares carrying voting rights, acquire more of such shares will incur a mandatory bid obligation and will be required to make to general offer to shareholders to acquire the balance of the equity share capital of that company.

P Brett, by himself, now holds 40.1% of the shares carrying the voting rights in the Company. Lamberhurst Vineyards (2000) Limited ("LV2K"), S Hume-Kendall, A Drewe and C Brown, between than, now hold 40.9%. Messrs Hume-Kendall, Drewe and Brown are directors and indirect shareholders of LV2K, and consequently LV2K and they are a concept party ("the LV2K party").

As noted elsewhere in this Prospectus, P Brett and members of the LV2K concert party have agreed and intend to participate in the Offer subject to their respective aggregate shareholdings not being increased.

DIVIDEND POLICY

The Directors are committed to building and developing the business of the Company. Accordingly they propose to reinvest any profits during the next few years and do not expect to pay dividends on Ordinary Shares for at least the first two years following Admission.

ENTERPRISE INVESTMENT SCHEME (EIS) TAX RELIEFS

The Company has received provisional clearance from the Inland Revenue that its business qualifies for relief in respect of the Enterprise Investment Scheme. The proposed new financing structure should therefore enable potential investors to qualify for relief under EIS subject to the detailed requirements of the scheme. EIS tax relief can be claimed by a qualifying individual who subscribes for eligible shares in a qualifying company.

Set out below are summaries of the main provisions of the Enterprise Investment Scheme, so far as is relevant to the Company and investors, as set out in the Income and Corporation Taxes Act 1988 (as amended). It does not set out the provisions in full and potential investors are strongly advised to seek independent professional advice.

(i) Income Tax Relief

Qualifying individuals may deduct an amount equal to tax at the lower rate on the amounts subscribed for qualifying shares in qualifying companies from their total liability to income tax for the tax year in which the shares are issued. For the tax year 2002/2003, the relief is obtained at a rate of 20 per cent. It does not matter whether the individual is UK resident for tax purposes but relief is only available where an investor has a UK income tax liability. The amount of income tax relief cannot exceed an individual's tax liability before other reliefs given by way of discharge of tax. The maximum income tax relief available to an individual who has subscribed for eligible shares is based on a maximum investment of £150,000 in any one tax year. The tax relief can be spread between any number of EIS qualifying companies.

(ii) Capital Gains Tax (CGT) Deferral

Liability of individuals and certain trustees to CGT arising from the disposal of any asset may be deferred by investing the gain (or part of the gain) in the shares of a qualifying company. The investment must be made within a time period beginning one year before and ending three years after the original disposal.

(iii) CGT Exemption

To the extent EIS income tax relief is given and not withdrawn and on the assumption that shares were originally subscribed from the Company, there is no CGT due on gains arising on the disposal of the shares in the Company provided these have been held for a minimum of three years from the date of issue or the commencement of trading, if later. However, any previous gains deferred by reinvesting EIS shares remain chargeable.

(iv) Loss Relief

Where a loss is incurred by an investor on the first disposal of his shares, the loss calculated after deducting EIS tax relief from the cost of the investment may be set against either chargeable gains or taxable income at the election of the investor.

Individuals Qualifying for Relief

Subject to certain exemptions, an individual must not be, nor have been within the previous two years, prior to the issue of shares, connected with the Company, or become connected with it within the next three years (or three years from the commencement of trade if later), if he is to retain the tax reliefs. The main rules relating to connection are that:

(i) neither the individual nor his associates may control the Company or possess more than 30 per cent of the issued ordinary share capital or loan capital or voting powers in the Company or rights carrying entitlements to 30 per cent of the assets available for distribution on a winding up;

(ii) neither the individual nor his associates may be an employee, partner or paid director of the Company (subject to (iii) below) or its subsidiaries. An unpaid director is not disqualified if he is reimbursed travelling or subsistence expenses which would otherwise be allowable for taxation; and

(iii) an individual may become a paid director of the Company provided at the time he subscribes for eligible shares he was not, and has not previously been, otherwise connected with the Company, nor with the trade carried on by the Company. Any remuneration paid to a director must be reasonable.

Claims

Investors claim income tax relief by submitting a tax relief certificate (Form EIS 3) issued to them by the Company to the Inspector of Taxes dealing with their own tax affairs. The claim for relief must be made no later than five years after the 31 January following the end of the tax year in which the shares are issued.

Qualification of the Company

For a period of three years following the issue of the shares, the Company must only:

(i) carry on a qualifying trade; and/or

(ii) be the parent company of a group which exists wholly, or substantially wholly for the purposes of carrying on qualifying trades.

It must also:

(iii) have gross assets of less than £15,000,000 before the issue of the shares and not more than £16,000,000 after the issue;

(iv) be unquoted at the time of the issue, without any arrangements in place for quotation (shares traded on OFEX are not regarded as quoted for this purpose).

Withdrawal of relief

If the company or the Group ceases to carry on its qualifying trade, the relief will be withdrawn. Relief may be wholly or partly withdrawn. Relief will also be wholly or partly withdrawn if, for example, the claimant receives value from the Company (other than dividends) or disposes of the shares within three years of the date of issue. Relief will also be lost if an investor takes out a loan under special terms connected in any way with the shares

EIS Tax Relief Certificates

Following the issue of the New Ordinary Shares, the company must apply to the Inland Revenue for authorisation to issue tax relief certificates (Form EIS 3) to investors. Although the time taken by the Inland Revenue to grant authorisation cannot be controlled by the Company, every effort will be made by the Directors to expedite matters and, as soon as authorisation is given, Form EIS 3 will be distributed to investors. Investors should then submit the Forms EIS 3 to the Inspector of Taxes dealing with their own affairs.

RISK FACTORS

There are various risks associated with an investment in the Company. The Directors consider the following risks to be the most significant to potential investors. However, the risks listed do not necessarily comprise all those associated with an investment in the Company:

- The sector in which the Group operates is competitive and there is no certainty that the Group will be able to achieve growth targets or that the market it intends to exploit can be exploited to the extent indicated by the Group.
- The Group has a small management team and the loss of a key individual could affect the Group's business.
- The Group's business operations are at a relatively early stage of development and its success will depend largely upon the effectiveness of its current management in taking advantage of opportunities in order to enhance the Group's growth and profitability.
- External factors such as the level of duty imposed by government on wines and sparkling wines and other alcoholic beverages are outside the control of the Group and the effects of any change of policy or other regulations may be unpredictable.
- As the Group relies, in order to produce wines, upon a steady supply of appropriate grapes, it is vulnerable to the effects of the weather. However, the Directors believe that, given the spread of varieties and locations of their growers, the risk of a poor harvest is appropriately spread and so minimized. In addition, the Group intends to keep approximately two years' supply in stock with a view to mitigating any difficulties that may arise.
- It may be necessary for the Group to arrange additional capital by way of the issue of further Ordinary Shares to enable it to progress through further stages of development. There can be no assurance that such funding will be available to the Group.
- The Ordinary Shares will not be listed or dealt in on any stock exchange. Notwithstanding the fact that an application will be made for the Ordinary Shares to be traded off exchange through OFEX, this should not be taken as implying that there will be a ''liquid'' market in the Ordinary Shares. An investment in the Ordinary Shares may thus be difficult to realise. The value of the Ordinary Shares may go down as well as up. Investors may therefore realise less than their original investment, or sustain a total loss of their investment.
- While the Directors believe the Company's application to join OFEX will be accepted, admission to, and continued membership of OFEX are entirely at the discretion of OFEX plc.

The investment offered in this Prospectus may not be suitable for all of its recipients. Investors are accordingly advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of this kind before making their decision.

PART II ACCOUNTANTS' REPORT

CREASEYS

CHARTERED ACCOUNTANTS

12 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1PA

ACCOUNTANTS' REPORT ON ENGLISH WINES GROUP PLC

The following is the full text of a report on English Wines Group plc from Creaseys, the reporting accountants, to the directors of English Wines Group plc and Ruegg & Co. Limited.

The Directors
English Wines Group plc
Tenterden Vineyard Park
Small Hythe
Tenterden
Kent
TN30 7NG

And

The Directors
Ruegg & Co Limited
39 Cheval Place
Knightsbridge
London
SW7 1EW

12th February 2003

Dear Sirs

ENGLISH WINES GROUP PLC

Introduction

We report on the financial information set out below. This financial information has been prepared in connection with the Offer for Subscription in the company contained in the prospectus dated 12th February 2003.

English Wines Group plc (registered in England and Wales, number 4362181) was incorporated on 28 January 2002 with an authorised share capital of £2,550,000 divided into 255,000,000 ordinary shares of 1p. each, of which two were issued to the subscribers to the company's Memorandum of Association; these two shares were subsequently transferred to Paul Brett and Lamberhurst Vineyards (2000) Limited ("LV2K"). On 13 March 2002 the company issued and allotted 4,999,998 ordinary shares of 1p. each to the shareholders of English Wines plc in exchange for their shares in that company, which thus became a subsidiary undertaking of English Wines Group plc. As a result of a

Private Placing Memorandum in March 2002, a further 12,125,000 ordinary shares of 1p. each were issued to applicants at a subscription price of 4p. each.

Share options were exercised by each of Paul Brett and LV2K to subscribe for ordinary shares of 1p. each on 30 April 2002 (23,610,000 shares each) and on 3 December 2002 (600,000 shares each). On 3 December 2002 70,000 ordinary shares of 1p. each were issued to Frazer Thompson at par, and on 30 December 2002 875,000 such shares were issued to Mark Sheppard at 2.8p. per share.

On 6th February 2003, the authorised share capital was consolidated into 43,000,000 ordinary shares of 5p. each, together with 200,000 "A" and 200,000 "B" preference shares of £1 each. On 12th February 2003, 100,000 "A" and 100,000 "B" preference shares of £1 each were issued to Paul Brett and the same to LV2K.

On 31 March 2002 the company acquired from its subsidiary undertaking its intangible assets, freehold property and certain plant and machinery.

Basis of Preparation
English Wines Group plc has prepared consolidated financial statements for the period from incorporation on 28 January 2002 to 30 September 2002. This firm audited those financial statements and issued an unqualified audit report in respect of them.

The financial information given below has been extracted from the financial statements referred to above, to which no material adjustments were considered to be necessary.

Responsibility
The directors of the company are responsible for the contents of the prospectus in which this report is included. It is our responsibility to compile the financial information set out in our report, to form an opinion on the financial information and to report our opinion to you.

Basis of Opinion
We conducted our work in accordance with the Statement of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of the evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion
In our opinion, the financial information set out below gives, for the purpose of the Prospectus dated 12th February 2003 a true and fair view of the state of affairs of English Wines Group plc as at the date stated and of its result for the period then ended.

Consent

We consent to the inclusion of this report in the prospectus and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Yours faithfully

Creaseys
Chartered Accountants

ENGLISH WINES GROUP PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2002

	Notes	Period ended 30 September 2002 £
Turnover	2	1,470,927
Cost of sales		(835,615)
Gross profit		635,312
Administrative expenses		(603,316)
Other operating income		368
Operating profit/(loss)	3	32,364
Profit/(loss) on ordinary activities before interest		32,364
Interest payable and similar charges	4	(44,788)
Loss on ordinary activities before taxation		(12,424)
Tax on loss on ordinary activities	5	-
Loss on ordinary activities after taxation		(12,424)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ENGLISH WINES GROUP PLC

STATEMENT OF RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 30 SEPTEMBER 2002

	Period ended 30 September 2002 £
Loss for the financial period	**(12,424)**
Unrealised (deficit)/surplus on revaluation of properties	**159,656**
Total recognised gains and losses relating to the period	**147,232**

Note of historical cost profits and losses

	Period ended 30 September 2002 £
Reported loss on ordinary activities before taxation	**(12,424)**
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	**2,446**
Historical cost loss on ordinary activities before taxation	**(9,978)**
Historical cost loss for the period retained after taxation, extraordinary items and dividends	**(9,978)**

ENGLISH WINES GROUP PLC

BALANCE SHEETS
AS AT 30 SEPTEMBER 2002

	Notes	Group 2002 £	Company 2002 £
Fixed assets			
Intangible assets	7	213,915	213,915
Tangible assets	8	1,535,890	1,390,213
Investments	9	-	50,000
		1,749,805	1,654,128
Current assets			
Stocks	10	1,323,849	-
Debtors	11	147,117	161,925
		1,470,966	161,925
Creditors: amounts falling due within one year	12	(1,246,638)	(153,683)
Net current liabilities		224,328	8,242
Total assets less current liabilities		1,974,133	1,662,370
Creditors: amounts falling due after more than one year	13	(1,017,454)	(789,417)
		956,679	872,953
Capital and reserves			
Called up share capital	14	643,450	643,450
Share premium account	15	257,035	257,035
Revaluation reserve	15	257,210	-
Profit and loss account	15	(201,016)	(27,532)
Shareholders' funds	16	956,679	872,953

NOTES TO THE CONSOLIDATED FINANCIAL INFORMATION FOR THE PERIOD ENDED 30 SEPTEMBER 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

1.3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertaking made up to 30 September 2002. The holding company acquired the whole of the issued share capital of the subsidiary company on 23 March 2002 by way of a share-for-share exchange at par. Because there was therefore no effective change in ownership of the underlying assets and trade, the results of the subsidiary are included in the consolidated profit and loss account for the whole of its financial year to 30 September 2002; similarly, the subsidiary's balances at 30 September 2001 are treated as the opening balances of the group in certain of the notes to the accounts where necessary. Intra-group sales and profits are eliminated fully on consolidation.

1.4 Turnover

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

1.5 Intellectual property and goodwill

Acquired goodwill is written off in equal annual instalments over 15 years, its estimated useful economic life.

1.6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Straight line over 50 years on the buildings
Land and buildings Leasehold	Straight line over the period of the lease on the buildings
Plant and machinery	5% Straight line
Fixtures, fittings & equipment	15% Reducing balance
Motor vehicles	25% Reducing balance

1.7 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1 **Accounting policies** **(continued)**

1.8 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.9 Stock

Stock is valued at the lower of cost and net realisable value.

1.10 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Operating profit/(loss)

	2002
	£
Operating profit/(loss) is stated after charging:	
Depreciation of intangible assets	**9,250**
Depreciation of tangible assets	**43,665**
Operating lease rentals	**47,740**
Auditors' remuneration (company £2,750)	**10,075**

4 Interest payable

	2002
	£
On bank loans and overdrafts	**16,701**
Lease finance charges	**6,570**
Other interest	**21,517**
	44,788

5 Taxation

	2002 £
Current tax charge	**-**
Factors affecting the tax charge for the period	
Loss on ordinary activities before taxation	**(12,424)**
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2001 : 20.00%)	**(2,361)**
Effects of:	
Non deductible expenses	**378**
Depreciation	**9,220**
Capital allowances	**(26,179)**
Other tax adjustments	**18,942**
	2,361
Current tax charge	**-**

The other tax adjustments relate to an unprovided deferred tax asset on the taxable losses incurred to date.

6 Loss for the financial period

As permitted by section 230 of the Companies Act 1985, the holding company's profit and loss account has not been included in these financial statements. The loss for the financial period is made up as follows:

	2002 £
Holding company's loss for the financial period	**(27,532)**

7 Intangible fixed assets

Group

	Intellectual property and goodwill £
Cost	
Opening balance	**125,000**
Revaluation	**27,500**
Additions	**66,498**
At 30 September 2002	**218,998**
Amortisation	
Opening balance	**6,945**
Revaluation	**(11,112)**
Charge for the period	**9,250**
At 30 September 2002	**5,083**
Net book value	
At 30 September 2002	**213,915**

The intellectual property rights and goodwill brought forward were valued by Intellectual Property Management Limited in February 2002. The original cost of the intangible assets was £125,000.

Intangible fixed assets (continued)

Company

	Intellectual property and goodwill £
Cost	
At 28 January 2002	**-**
Additions	**218,998**
At 30 September 2002	**218,998**
Amortisation	
At 28 January 2002	**-**
Charge for the period	**5,083**
At 30 September 2002	**5,083**
Net book value	
At 30 September 2002	**213,915**

8 Tangible fixed assets

Group

	Land and buildings Freehold	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
Opening balance	**700,000**	**5,673**	**625,624**	**7,983**	**9,265**	**1,348,545**
Additions	**-**	**62,315**	**38,726**	**23,586**	**13,781**	**138,408**
Revaluation	**75,000**	**-**	**22,371**	**-**	**-**	**97,371**
At 30 September 2002	**775,000**	**67,988**	**686,721**	**31,569**	**23,046**	**1,584,324**
Depreciation						
Opening balance	**-**	**-**	**26,068**	**444**	**1,930**	**28,442**
Revaluation	**-**	**-**	**(23,673)**	**-**	**-**	**(23,673)**
Charge for the period	**4,400**	**3,015**	**31,737**	**2,331**	**2,182**	**43,665**
At 30 September 2002	**4,400**	**3,015**	**34,132**	**2,775**	**4,112**	**48,434**
Net book value						
At 30 September 2002	**770,600**	**64,973**	**652,589**	**28,794**	**18,934**	**1,535,890**
Opening balance	700,000	5,673	599,556	7,539	7,335	1,320,103

The freehold land and buildings were valued by Hobbs Parker, Chartered Surveyors on 27 February 2002. The plant and machinery was valued by Edward Symmons and Partners, Surveyors on 26 February 2002. The historical cost of the plant and machinery is £631,979.

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
Opening balance and at 30 September 2002	**600,000**
Depreciation based on cost	
Opening balance	**-**
Charge for the period	**3,405**
At 30 September 2002	**3,405**
Net book value	
At 30 September 2002	**596,595**
Opening balance	600,000

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 30 September 2002	**39,950**	**-**	**12,633**	**52,583**
Depreciation charge for the period				
30 September 2002	**1,466**	**-**	**1,148**	**2,614**

8 Tangible fixed assets (continued)

Company

	Land and buildings Freehold	Plant and machinery	Total
	£	£	£
Cost			
At 28 January 2002	**-**	**-**	**-**
Additions	**775,000**	**635,500**	**1,410,500**
At 30 September 2002	**775,000**	**635,500**	**1,410,500**
Depreciation			
At 28 January 2002	**-**	**-**	**-**
Charge for the period	**4,400**	**15,887**	**20,287**
At 30 September 2002	**4,400**	**15,887**	**20,287**
Net book value			
At 30 September 2002	**770,600**	**619,613**	**1,390,213**

9 Fixed asset investments

Company

	Shares in group undertakings
	£
Cost	
At 28 January 2002	-
Additions	**50,000**
At 30 September 2002	**50,000**

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	**%**
Subsidiary undertakings			
English Wines PLC	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows:

	Principal activity
English Wines PLC	Manufacture and sale of wine

10 Stocks

	Group 2002	Company 2002
	£	**£**
Finished goods and goods for resale	**1,323,849**	**-**

11 Debtors

	Group 2002 £	Company 2002 £
Trade debtors	**124,118**	**-**
Amounts owed by group undertakings	**-**	**161,925**
Called up share capital not paid	**1,400**	**-**
Other debtors	**1,059**	**-**
Prepayments and accrued income	**20,540**	**-**
	147,117	**161,925**

Amounts falling due after more than one year and included in the debtors above are:

Amounts owed by group undertakings	**-**	**161,925**

12 Creditors : amounts falling due within one year

	Group 2002 £	Company 2002 £
Bank loans and overdrafts	**348,924**	**153,683**
Net obligations under finance lease and hire purchase contracts	**18,511**	**-**
Trade creditors	**385,011**	**-**
Taxes and social security costs	**175,989**	**-**
Other creditors	**311,403**	**-**
Accruals and deferred income	**6,800**	**-**
	1,246,638	**153,683**

13 Creditors : amounts falling due after more than one year

	Group 2002 £	Company 2002 £
Bank loans	**465,023**	**402,523**
Other loans	**534,310**	**386,894**
Net obligations under finance leases and hire purchase agreements	**18,121**	**-**
	1,017,454	**789,417**

Analysis of loans

	Group 2002 £	Company 2002 £
Not wholly repayable within five years by instalments:		
Commercial mortgage	**434,444**	**434,444**
Wholly repayable within five years	**1,035,938**	**508,522**
	1,470,382	**942,966**
Included in current liabilities	**(471,049)**	**(153,549)**
	999,333	**789,417**
Instalments not due within five years	**279,307**	**279,307**

Loan maturity analysis

	Group 2002 £	Company 2002 £
In more than one year but not more than two years	**31,921**	**31,921**
In more than two years but not more than five years	**379,915**	**127,683**
In more than five years	**271,327**	**271,327**

Net obligations under finance leases and hire purchase contracts

	Group 2002 £	Company 2002 £
Repayable within one year	**18,867**	**-**
Repayable between one and five years	**19,939**	**-**
	38,806	**-**
Finance charges and interest allocated to future accounting periods	**(2,174)**	**-**
	36,632	**-**
Included in liabilities falling due within one year	**(18,511)**	**-**
	18,121	**-**

14 Share capital

	2002
	£
Authorised	
255,000,000 ordinary shares of 1p each	**2,550,000**
Allotted, called up and fully paid	
64,345,000 Ordinary Shares of 1p each	**643,450**
	643,450

During the year the company issued 64,345,000 ordinary 1p shares at a premium for cash.

1,968,450 unissued ordinary shares of 5p each are covered by a share option agreement and these are exercisable at 12.5p per share over the next four years.

15 Statement of movements on reserves

Group

	Share premium account	Revaluation reserve	Profit and loss account
	£	£	£
Opening reserves	**-**	**100,000**	**(191,038)**
Retained loss for the period	**-**	**-**	**(12,424)**
Transfer from revaluation reserve to profit and loss account	**-**	**(2,446)**	**2,446**
Premium on shares issued during the period	**257,035**	**-**	**-**
Revaluation during the period	**-**	**159,656**	**-**
Balance at 30 September 2002	**257,035**	**257,210**	**(201,016)**

Company

	Share premium account	Profit and loss account
	£	£
Retained loss for the period	**-**	**(27,532)**
Premium on shares issued during the period	**257,035**	**-**
Balance at 30 September 2002	**257,035**	**(27,532)**

16 Reconciliation of movements in shareholders' funds

Group	**2002**
	£
Loss for the financial period	**(12,424)**
Other recognised gains and losses	**159,656**
Proceeds from issue of shares	**900,485**
Net addition to/(depletion in) shareholders' funds	**1,047,717**
Opening shareholders' funds	**(91,038)**
Closing shareholders' funds	**956,679**

Company	**2002**
	£
Loss for the financial period	**(27,532)**
Proceeds from issue of shares	**900,485**
Net addition to shareholders' funds	**872,953**
Opening shareholders' funds	**-**
Closing shareholders' funds	**872,953**

17 Financial commitments

At 30 September 2002 the group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2002
	£
Expiry date:	
In over five years	**67,000**

18 Directors' emoluments

	2002
	£
Emoluments for qualifying services	**7,707**

19 Employees

Number of employees
The average monthly number of employees (including directors) during the period was:

	2002 Number
	46

Employment costs

	£
Wages and salaries	**597,327**
Social security costs	**37,583**
	634,910

20 Related party transactions

During the year, the group has had the following related party transactions:

Purchases:

Lamberhurst Vineyards (2000) Ltd (shareholder) - £20,951
Carr Taylor Ltd (fellow subsidiary of this company) - £26,657
Oakover Properties (Lamberhurst) Ltd (sister company of LV(2000) Ltd) - £23,891
Oakover Properties Ltd (parent company of LV(2000) Ltd) £40,417

At the year end the group owed the following amounts:

Paul Brett (shareholder and director) - £432,500
Lamberhurst Vineyards (2000) Ltd - £381,810
Carr Taylor Ltd - £47,480
Oakover Properties (Lamberhurst) Ltd - £14,115
Oakover Properties Ltd - £30,000.

21 Post Balance Sheet Events

Group

Since the year end, the company has issued 600,000 1p ordinary shares at par to P. Brett and to Lamberhurst Vineyards (2000) Ltd in part redemption of their loans. It has also issued 70,000 shares to F. Thompson at par for cash. Finally it has issued a further 875,000 1p shares at a premium of 1.8p per share.

On 6 February 2003, the authorised share capital of the company of 255,000,000 1p ordinary shares was consolidated into 200,000 £1 "A" preference shares, 200,000 £1 "B" preference shares and 43,000,000 5p ordinary shares. On 11 February 2003, Lamberhurst Vineyards (2000) Ltd and P. Brett were each issued 100,000 "A" preference and 100,000 "B" preference shares in exchange for part redemption of their loans.

CREASEYS

CHARTERED ACCOUNTANTS

12 Lonsdale Gardens
Tunbridge Wells
Kent
TN1 1PA

ACCOUNTANTS' REPORT ON ENGLISH WINES PLC

The Directors
English Wines Group plc
Tenterden Vineyard Park
Small Hythe
Tenterden
Kent
TN30 7NG

And

The Directors
Ruegg & Co Limited
39 Cheval Place
Knightsbridge
London
SW7 1EW

12th February 2003

Dear Sirs

ENGLISH WINES PLC

Introduction

We report on the financial information set out below. This financial information has been prepared in connection with the Offer for Subscription in English Wines Group plc contained in the prospectus dated 12th February 2003.

English Wines plc (registered in England and Wales, number 3978908) was incorporated on 25 April 2000 with the name Downland Wines plc. The name was changed to English Wines plc on 4 July 2000 and a certificate to commence trade under section 117 of the Companies Act 1985 was issued on 14 November 2000. The company was incorporated with an authorised share capital of £50,000 divided into 50,000 ordinary shares of £1 each, of which two were issued to the subscribers to the company's Memorandum of Association. In November 2000 the authorised share capital was divided and increased into 5,000,000 ordinary shares of 1p. each and 2,500,000 preference shares of £1 each. Subsequently the preference shares were converted into ordinary shares of 1p each.

Following a number of subsequent share issues, on 13 March 2002 the whole of the company's issued share capital was acquired by English Wines Group plc by a share-for-share exchange.

On 31 March 2002 the company transferred to its parent undertaking its intangible assets, freehold property and certain plant and machinery.

Basis of Preparation
English Wines plc has prepared financial statements for the period from incorporation on 25 April 2000 to 30 September 2001 and for the year ended 30 September 2002. This firm audited those financial statements and issued an unqualified audit report in respect of them. As permitted by paragraph 45(4) of The Public Offers of Securities Regulations 1995, the financial statements of English Wines plc for the year ended 30 September 2002 are omitted from the Prospectus as they do not include any significant additional information which is not already in the consolidated accounts of English Wines Group plc. The financial information given below has been extracted from the financial statements for the period ended 30 September 2001 referred to above, to which no material adjustments were considered to be necessary.

Responsibility
The directors of the company are responsible for the contents of the prospectus in which this report is included. It is our responsibility to compile the financial information set out in our report, to form an opinion on the financial information and to report our opinion to you.

Basis of Opinion
We conducted our work in accordance with the Statement of Investment Circular Reporting Standards issued by the Auditing Practices Board. Our work included an assessment of the evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of the significant estimates and judgements made by those responsible for the preparation of the financial statements underlying the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work 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 information is free from material misstatement, whether caused by fraud or other irregularity or error.

Opinion
In our opinion, the financial information set out below gives, for the purpose of the Prospectus dated 12th February 2003 a true and fair view of the state of affairs of English Wines plc as at the date stated and of its result for the period then ended.

Consent
We consent to the inclusion of this report in the prospectus and accept responsibility for this report for the purposes of paragraph 45(1)(b)(iii) of Schedule 1 to the Public Offers of Securities Regulations 1995.

Yours faithfully

Creaseys
Chartered Accountants

ENGLISH WINES PLC

PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2001

	Notes		Period ended 30 September 2001 £
Turnover	**2**		
Continuing operations		**-**	
Acquisitions		**981,229**	
			981,229
Cost of sales			**(702,097)**
Gross profit			**279,132**
Administrative expenses			**(374,706)**
Other operating income			**208**
Operating loss	**4**		
Continuing operations		**-**	
Acquisitions		**(95,366)**	
			(95,366)
Formation expenses			**(78,122)**
Loss on ordinary activities before interest			**(173,488)**
Other interest receivable and similar income	**5**		**1,192**
Interest payable and similar charges	**6**		**(18,742)**
Loss on ordinary activities before taxation			**(191,038)**
Tax on loss on ordinary activities	**7**		**-**
Loss on ordinary activities after taxation	**15**		**(191,038)**

ENGLISH WINES PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE PERIOD ENDED 30 SEPTEMBER 2001

	Period ended 30 September 2001 £
Loss for the financial period	**(191,038)**
Unrealised surplus on revaluation of properties	**100,000**
Total recognised gains and losses relating to the period	**(91,038)**

ENGLISH WINES PLC

BALANCE SHEET
AS AT 30 SEPTEMBER 2001

	Notes	2001 £	£
Fixed assets			
Intangible assets	**8**		**118,055**
Tangible assets	**9**		**1,320,103**
			1,438,158
Current assets			
Stocks	**10**	**641,384**	
Debtors	**11**	**146,861**	
Cash at bank and in hand		**3,386**	
		791,631	
Creditors: amounts falling due within one year	**12**	**(754,228)**	
Net current assets			**37,403**
Total assets less current liabilities			**1,475,561**
Creditors: amounts falling due after more than one year	**13**		**(1,512,482)**
			(36,921)
Capital and reserves			
Called up share capital	**14**		**54,117**
Revaluation reserve	**15**		**100,000**
Profit and loss account	**15**		**(191,038)**
Shareholders' funds	**16**		**(36,921)**
Equity interests			**(68,921)**
Non-equity interests			**32,000**
			(36,921)

ENGLISH WINES PLC

NOTES TO THE FINANCIAL INFORMATION
FOR THE PERIOD ENDED 30 SEPTEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

1.2 Turnover

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

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	Nil
Plant and machinery	5% Straight Line
Fixtures, fittings & equipment	15% Reducing Balance
Motor vehicles	25% Reducing Balance

No depreciation is charged on land and buildings as the amount would have been immaterial at the time the assets were transferred to the holding company after the balance sheet date.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. 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.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

3 Cost of sales and net operating expenses

The total figures for continuing operations in 2001 include the following amounts relating to acquisitions : cost of sales £702,097, distribution costs £-, administrative expenses £374,706 and other operating income £208.

4 Operating loss

	2001
	£
Operating loss is stated after charging:	
Amortisation of intangible assets	**6,945**
Depreciation of tangible assets	**28,442**
Operating lease rentals	**54,581**
Auditors' remuneration	**3,750**

5 Other interest receivable and similar income

	2001
	£
Bank interest	**1,192**

6 Interest payable

	2001
	£
Hire purchase interest	**623**
Other interest	**18,119**
	18,742

7 Taxation

The company has estimated losses of £ 326,714 available for carry forward against future trading profits.

8 Intangible fixed assets

	Goodwill
	£
Cost	
At 25 April 2000	**-**
Additions	**125,000**
At 30 September 2001	**125,000**
Amortisation	
At 25 April 2000	**-**
Charge for the period	**6,945**
At 30 September 2001	**6,945**
Net book value	
At 30 September 2001	**118,055**

9 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 25 April 2000	-	-	-	-	-
Additions	605,673	625,624	7,983	9,265	1,248,545
Revaluation	100,000	-	-	-	100,000
At 30 September 2001	705,673	625,624	7,983	9,265	1,348,545
Depreciation					
At 25 April 2000	-	-	-	-	-
Charge for the period	-	26,068	444	1,930	28,442
At 30 September 2001	-	26,068	444	1,930	28,442
Net book value					
At 30 September 2001	705,673	599,556	7,539	7,335	1,320,103

Included above are assets held under finance leases or hire purchase contracts as follows:

	Plant and machinery	Motor vehicles	Total
	£	£	£
Net book values			
At 30 September 2001	45,489	7,335	52,824
Depreciation charge for the period			
30 September 2001	1,978	1,930	3,908

Land and Buildings were valued by Strutt & Parker Chartered Surveyors on 31 July 2001. They were valued at £700,000 based on an open market valuation.

10 Stocks

	2001
	£
Finished goods	641,384

11 Debtors

	2001 £
Trade debtors	**137,543**
Called up share capital not paid	**1,400**
Other debtors	**7,918**
	146,861

12 Creditors: amounts falling due within one year

	2001 £
Bank loans and overdrafts	**240,812**
Net obligations under finance lease and hire purchase contracts	**27,624**
Trade creditors	**231,871**
Taxes and social security costs	**181,516**
Other creditors	**72,405**
	754,228

13 Creditors: amounts falling due after more than one year

	2001 £
Bank loans	**546,229**
Other loans	**950,000**
Net obligations under finance leases and hire purchase agreements	**16,253**
	1,512,482

Analysis of loans

Wholly repayable within five years	**1,710,396**
	1,710,396
Included in current liabilities	**(214,167)**
	1,496,229

Loan maturity analysis

In more than one year but not more than two years	**676,631**
In more than two years but not more than five years	**137,500**
In more than five years	**896,265**

The loans are secured by a charge over the freehold deeds on land at Tenterden Vineyard Park, Small Hythe, Tenterden, Kent and over the winestocks.

14 Share capital

	2001 £
Authorised	
5,000,000 Ordinary shares of 1p each	**50,000**
2,500,000 Preference shares of £ 1 each	**2,500,000**
	2,550,000

Allotted, called up and fully paid	
2,211,700 Ordinary shares of 1p each	**22,117**
32,000 Preference shares of £ 1 each	**32,000**
	54,117

During the year 2,211,700 ordinary shares of 1p each and 32,000 preference shares of £1 each were issued for cash.

15 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Retained loss for the period	**-**	**(191,038)**
Revaluation during the period	**100,000**	**-**
Balance at 30 September 2001	**100,000**	**(191,038)**

16 Reconciliation of movements in shareholders' funds

	2001 £
Loss for the financial period	**(191,038)**
Other recognised gains and losses	**100,000**
Proceeds from issue of shares	**54,117**
Net depletion in shareholders' funds	**(36,921)**
Opening shareholders' funds	**-**
Closing shareholders' funds	**(36,921)**

17 Financial commitments

At 30 September 2001 the company had annual commitments under non-cancellable operating leases as follows:

	2001 £
Expiry date:	
In over five years	**3,000**

18 Directors' emoluments

	2001 £
Emoluments for qualifying services	**17,304**

19 Transactions with directors

The following directors had interest free loans during the period. The movement on these loans are as follows:

	Amount outstanding 2001 £	Maximum in period £
S. Hume-Kendall	**2,450**	**2,450**

20 Employees

Number of employees
The average monthly number of employees (including directors) during the period was:

	2001 Number
	57

Employment costs

	£
Wages and salaries	**310,480**
Social security costs	**11,251**
	321,731

21 Control

The company has no overall ultimate controlling party.

22 Related party transactions

During the period the company had the following transactions with related parties:-

Lamberhurst Vineyards (2000) Ltd (shareholder):- Sales £575, Purchases £20,367

Oakover (Properties) Lamberhurst Ltd (sister company of Lamberhurst Vineyards (2000) Ltd):- Purchases £21,159

Carr Taylor Ltd (Subsidiary of Lamberhurst Vineyards (2000) Ltd):- Purchases £50,072

At the period end the company had the following balances with related parties:-

Lamberhurst Vineyards (2000) Ltd - Debtor £615, Creditor £12,337, Loan creditor £500,000

Oakover Properties (Lamberhurst) Ltd:- Creditor £21,159

Carr Taylor Ltd:- Creditor £54,547

Paul Brett (shareholder):- Loan creditor £500,000

23 Post balance sheet events

Since the balance sheet date, this company's entire share capital has been acquired by a newly incorporated holding company, English Wines Group Plc, and most of its fixed assets have been transferred to that company as part of the reorganisation. Subsequently the holding company has issued a Private Placing Memorandum which raised additional share capital of £485,000 at an issue price of 4p per share.

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CHARTERED ACCOUNTANTS

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TN1 1PA

The Directors
English Wines Plc
Tenterden Vineyard Park
Small Hythe
Tenterden
Kent
TN30 7NG

The Directors
Ruegg & Co. Limited
39 Cheval Place
Knightsbridge
London
SW7 1EW

12th February 2003

Dear Sirs

English Wines Group plc ("the group")

Pro forma statement of net assets

We report on the pro forma statement of net assets set out in Part II of the prospectus dated 12th February 2003 which has been prepared, for illustrative purposes only, to provide information about how the offer for subscription (as defined in the prospectus) might have affected the financial information presented.

Responsibilities

It is the responsibility solely of the directors of English Wines Group plc to prepare the pro forma statement of net assets.

It is our responsibility to form an opinion on the pro forma statement of net assets and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma statement of net assets beyond that owed to those to whom we addressed those reports at the date of their issue.

Basis of opinion

We conducted our work in accordance with the Statements of Investment Circular Reporting Standards issued by the Auditing Practices Board.

Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the pro forma statement of net assets with the Directors.

Opinion

In our opinion:

(a) the pro forma statement of net assets has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the group; and

(c) the adjustments are appropriate for the purposes of the pro forma statement of net assets.

Yours faithfully

Creaseys
Chartered Accountants

PRO FORMA STATEMENT OF NET ASSETS OF THE GROUP

Set out below is an unaudited pro forma statement of net assets of the group which is based on the group's consolidated, audited balance sheet at 30 September 2002, as adjusted to reflect matters referred to in the notes below. This pro forma statement of net assets has been prepared for illustrative purposes only, to provide information about how the offer for subscription and other actual share issues might have affected the net assets of the group, had they occurred on 30 September 2002. Because of its nature, it cannot give a complete picture of the financial position.

	At 30 September 2002 (Note 1) £'000	**Issues (Note 2) £'000**	**Conversions (Note 3) £'000**	**Offer for Subscription (Note 4) £'000**	**Pro forma net assets of group £'000**
Fixed assets:					
Intangible	214	-	-	-	214
Tangible	1,536	-	-	-	1,536
	1,750	-	-	-	1,750
Stock	1,324	-	-	-	1,324
Debtors	147	-	-	-	147
Cash at bank and in hand	-	-	-	767	767
	1,471	-	-	767	2,238
Creditors: amounts falling due within one year	(1,247)	37	280	133	(797)
Net current assets	224	37	280	900	1,441
Total assets less current liabilities	1,974	37	280	900	3,191
Creditors: amounts falling due after more than one year	(1,017)	-	120	-	(897)
Net assets	957	37	400	900	2,294

Notes

1. The net assets at 30 September 2002 have been extracted, without adjustment, from the financial information set out earlier in this Part of this document.
2. The company issued 2,145,000 ordinary shares of 1p. each in December 2002.
3. Two existing shareholders converted loans of £400,000 into preference shares of that value on 11 February 2003.
4. This adjustment assumes that the maximum issue of £1,000,000 will be raised by the offer for subscription, less estimated expenses of £100,000.
5. No adjustments have been made to reflect trading results since 30 September 2002.

PART III STATUTORY AND GENERAL INFORMATION

1. Incorporation and Registration

1.1.1 The Company was incorporated in England and Wales with registration number 4362181 on 28 January 2002 as a public limited company with the name English Wines Group plc. The principal legislation under which the Company operates is the Act and the regulations made under it. The liability of the members of the Company is limited.

1.1.2 On 15 March 2002, the Company was issued with a certificate permitting it to commence business and borrow under section 117(1) of the Act.

1.2.1 English Wines plc was incorporated in England and Wales with registration number 3978908 on 25 April 2000 as a public limited company with the name Downland Wines plc. The name was changed to English Wines plc on 4 July 2000. The principal legislation under which English Wines plc operates is the Act and regulations made under it.

1.2.2 On 14 November 2000, English Wines was issued with a certificate permitting it to commence business and borrow under section 117(1) of the Act.

2. Share Capital

2.1 Authorised Share Capital

(a) On incorporation, the authorised share capital of the Company was £2,550,000 divided into 255,000,000 Ordinary Shares of 1p each of which 2 were issued to the subscribers to the Company's Memorandum of Association.

(b) On 6 February 2003, a resolution of the Company was passed to consolidate and subdivide the share capital of the Company into 43,000,000 Ordinary Shares of 5p each, 200,000 'A' Preference Shares of £1 each and 200,000 'B' Preference Shares of £1 each (details of which are set out in paragraph (c) below).

(c) The Preference Shares confer on their holders the following rights and are subject to the following restrictions:

(i) The Preference Shares carry a fixed cumulative preferential dividend at the rate equal to the Bank of England base lending rate from time to time. The preference dividend in respect of the 'A' Preference Shares is payable half-yearly and the preference dividend in respect of the 'B' Preference Shares shall accrue and be payable in one instalment on 30 June 2008 (although the Company may elect to pay such dividend in advance of such date).

(ii) Any preference dividend not paid within 14 days of its due date may be converted by any holder thereof into Ordinary Shares at an equivalent subscription price of 20p per Ordinary Share.

(iii) On a return of capital on a liquidation or otherwise the surplus assets of the Company remaining after payment of its liabilities shall be applied firstly in paying the holders of Preference Shares before any payment is made to the holders of Ordinary Shares.

(iv) The 'A' Preference Shares shall be redeemable in the following instalments:

(aa) As to 120,000 'A' Preference Shares on 30 June 2006

(bb) As to 40,000 'A' Preference Shares on 30 June 2007

(cc) As to 40,000 'A' Preference Shares on 30 June 2008.

(v) The 'B' Preference Shares shall be redeemable in one instalment on 30 June 2008.

(vi) The Company may, with the consent of the holders of the Preference Shares, postpone the redemption of Preference Shares. In fact, the Company and the holders of the Preference Shares have entered into an agreement whereby the Preference Shares will not be redeemed at any time when, as a consequence of such redemption, any tax relief available to holders of Ordinary Shares in the Company under EIS may be lost (subject to a long-stop redemption date of 30 June 2008).

(vii) Subject to the above, the Company may elect to redeem the Preference Shares earlier than the stipulated dates.

(viii) At any time prior to redemption, the holders of the Preference Shares may convert their Preference Shares into Ordinary Shares on a 1 for 5 basis (ie at the equivalent subscription price of 20p per Ordinary Share).

(ix) The Preference Shares shall not confer on the holders thereof any voting rights at general meetings of the Company unless the Company is in arrears in paying the preference dividend or if the Company is in breach of its obligations in relation to the redemption or conversion of the Preference Shares or if a resolution is proposed varying the rights attached to the Preference Shares, reducing the share capital of the Company or for winding the Company up. When these voting rights arise, each Preference Share shall carry five votes.

2.2 Issued Share Capital

Since incorporation there have been the following changes in the issued share capital of the Company:

(a) On 2 January 2002, the two subscriber shares were transferred to Lamberhurst Vineyards (2000) Limited and Paul Brett.

(b) On 13 March 2002, the Company acquired the entire issued share capital of English Wines plc in exchange for the issue to the shareholders of that company of 4,999,998 ordinary shares of 1p each credited as fully paid up.

(c) Following the issue of a Private Placing Memorandum in March 2002, a total of 12,125,000 ordinary shares of 1p each were issued credited as fully paid up to applicants under the said Private Placing Memorandum at a subscription price of 4p per share (being the equivalent of 20p per share after consolidation referred to in paragraph *2.2*g(iii) below).

(d) On 30 April 2002 and 3 December 2002, Lamberhurst Vineyards (2000) Limited and Paul Brett each exercised share options originally granted on 23 November 2000 to subscribe for and were issued with, credited as fully paid up, 23,610,000 ordinary shares of 1p each and 600,000 ordinary shares of 1p each on the respective dates, with the subscription price of 1p per share being settled against the deemed partial repayment of loans outstanding from the Company to each of them.

(e) On 3 December 2002, 70,000 ordinary shares of 1p each were issued to Frazer Thompson at par credited as fully paid up. On 30 December 2002, 875,000 ordinary shares of 1p each were issued to Mark Sheppard at 2.8p per share (being the equivalent of 14p per share after consolidation referred to in paragraph *2.2*g(iii) below credited as fully paid up).

(f) On 11 February 2003 100,000 'A' Preference Shares and 100,000 'B' Preference Shares were issued credited as fully paid up at par to each of Lamberhurst Vineyards (2000) Limited and Paul Brett with the subscription monies for the same being settled by the deemed partial repayment of loans outstanding from the Company to each of them.

(g) On 6 February 2003, resolutions of the Company were passed for the following purposes:

(i) to authorise the Directors pursuant to and in accordance with Section 80 of the Act to exercise all the powers of the Company to allot relevant securities (as defined in section 80 of the Act) up to an aggregate nominal amount of the authorised but unissued share capital of the Company, such authority to expire 5 years after the passing of the resolution; and

(ii) to empower the Directors pursuant to Section 95 of the Act to allot equity securities up to the amount of the authorised but unissued share capital of the Company (as defined in section 94 of the Act) for cash pursuant to the section 80 authority as if Section 89(1) of the Act did not apply to any such allotment, such power to expire 5 years after the date of the resolution.

(iii) to consolidate the Ordinary Share capital (on a one for five basis) and sub-divide the share capital of the Company into 43,000,000 Ordinary Shares of 5p each, 200,000 'A' Preference Shares of £1 each and 200,000 'B' Preference Shares of £1 each.

(h) Save as disclosed in paragraph *2.2,* there has been no issue of share capital of the Company since its incorporation.

2.3 By Deeds of Warrant dated 11 February 2003 the Company granted to the Committed Investors the warrants referred to in paragraph 13.1 below.

2.4 Save to the extent disapplied as disclosed in paragraph *2.2*(g)(ii), the provisions of section 89 of the Act confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash.

2.5 Save in respect of the Preference Shares (details of which are set out in paragraph *2.1*(c) above) no shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

2.6 Save as disclosed in this paragraph 2, no share capital or loan capital of the Company has been issued and save for the Offer Shares and Ordinary Shares to be issued upon exercise of the Warrants referred to in this paragraph 2 or the share options referred to in paragraph 12, no share or loan capital of the Company is now proposed to be issued, either fully or partly paid or for cash or any other consideration. Save as disclosed in this paragraph 2 and the share options referred to in paragraph 12, no share or loan capital of the Company or any other member of the Group is proposed to be issued or is under option or is agreed conditionally or unconditionally to be put under option.

2.7 Save for the issue of the Offer Shares and on the exercise of the Warrants as described in this paragraph 2, and the share options referred to in paragraph 12, the Company has no present intention to issue any of the authorised but unissued share capital of the Company.

2.8 Except as stated in this Part III:

(a) the Company does not have in issue any securities not representing share capital; and

(b) there are no outstanding convertible securities issued by the Company.

2.9 English Wines plc has an authorised share capital of £2,550,000 divided into 255,000,000 ordinary shares of 1p each. The 5,000,000 issued shares are now all owned by the Company.

3. Memorandum and Articles of Association

3.2 The Memorandum of Association of the Company states that its principal object is to carry on the business of manufacturing, distributing and selling still and sparkling wines and other beverages. The objects of the Company are set out in full in clause 4 of the Memorandum of Association. The liability of the members is limited.

3.3 The Articles of Association of the Company (''the Articles'') include provisions to the following effect:

3.2.1 Income

The Company may by ordinary resolution declare a dividend to be paid to members according to their respective rights and interests in the profits of the Company. No dividend shall exceed the amount recommended by the Board. The Preference Shares carry a right to a preferential dividend, described in paragraph *2.1*(c) above.

3.2.2 Capital

If the Company is in liquidation, the liquidator may, with the sanction of an extraordinary resolution of the Company and any other sanction required by the Act and every other statute, statutory instrument, regulation or order for the time being in force, divide among the members, in specie, the whole or any part of the assets of the Company or vest the whole or any part of the assets in trustees upon such trusts for the benefit of members as the liquidator with the like sanction shall think fit, but no member shall be compelled to accept any assets upon which there is any liability. The Preference Shares carry preferential rights on a distribution of capital, described in paragraph *2.1*(c) above.

3.2.3 Voting and General Meetings

(a) Subject to any special rights or restrictions as to voting for the time being attached to any shares (in particular the rights and restrictions attached to the Preference Shares, described in paragraph *2.1*(c) above), on a show of hands every holder of Ordinary Shares who being an individual, is present in person or, being a corporation, is present by a duly authorised representative, not being himself a member, shall have one vote and on a poll every holder of Ordinary Shares who is present in person or by proxy shall have one vote for every Ordinary Share held by him.

(b) A member of the Company shall not be entitled, in respect of any Ordinary Share held by him, to vote, either personally of by proxy at any general meeting of the Company unless all calls and other amounts payable by him in respect of that Ordinary Share have been paid.

(c) A member of the Company shall not, if the directors so determine, be entitled to attend or vote at General Meetings or receive dividends, if he or any other person appearing to be interested in such Ordinary Shares has failed to comply with notice given under section 212 of the Act. The restrictions will continue in the circumstances set out in the articles of association.

3.2.4 Variation of Rights

Whenever the capital of the Company is divided into different classes of shares, the rights attached to any class may be varied in such manner, if any, as may be provided by those rights or with the written consent of the holders of three-fourths in nominal value of the issued shares of that class, or with the sanction of an extraordinary resolution passed at a separate general meeting of such holders. The necessary quorum at such meeting is two persons holding or representing by proxy issued shares of that class. Every holder of shares of that class shall on a poll have one vote in respect of every share of the class held by him and a poll may be demanded by any one holder of shares of the class whether present in person or by proxy. The rights attached to any class of shares shall not be varied by either the creation or issue of further shares ranking *pari passu* with them, but in no respect in priority thereto, or the purchase by the Company of any of its own shares.

3.2.5 Alteration of Capital

The Company may by ordinary resolution increase its share capital and may by special resolution consolidate and divide its share capital into shares of larger amounts or sub-divide its shares into shares of smaller amounts or cancel any shares not taken or agreed to be taken. Subject to the provisions of the Statutes and to any rights conferred on the holders of any class of shares, the Company may by special resolution reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any way.

3.2.6 Transferability

All transfers of uncertificated shares may be made in accordance with and be subject to the Uncertificated Securities Regulations 2001 (''the Regulations'') and the facilities and requirements of the relevant system of paperless transfer. All transfers of certificated share may be effected by an instrument of transfer in writing in any usual form or in any other form acceptable to the Board. The instrument of transfer must be executed by or on behalf of the transferor and except in the case of fully-paid shares, by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof. The registration of transfers may be suspended at such times and for such periods, not exceeding 30 days in any year, as the Board may from time to time determine and either generally or in respect of any class of shares. The Board may in its absolute discretion and without giving any reason for its decision refuse to register any transfer of a share which is not fully paid up or any transfer of a share fully paid up on which the Company has a lien, provided that such restrictions will not prevent dealings in the shares from taking place on an open and proper basis. The Board may also refuse to register any transfer of certificated shares unless it relates to only one class of shares, is left at the registered office or at such other place as the Board may decide for registration, is accompanied by the share certificate and such other evidence (if any) of the transferor's title as the Board may reasonably require and is duly stamped. The Board may also in its absolute discretion refuse to register a transfer of any share to an entity which is not a legal or natural person, to a minor or to be held jointly by more than four persons.

3.2.7 Dividends

Unclaimed dividends will be forfeited after a period of 12 years, after having been declared or become due for payment and will thereupon cease to remain owing by the Company.

4. Directors' shareholdings and other interests

The interests of the Directors (all of which are beneficial) in the issued share capital of the Company as at the date of this document and immediately following completion of the Offer assuming full subscription under the Offer, such interests being those which are required to be notified by each Director to the Company under the provisions of section 324 or 328 of the Act or which are required to be entered in the register of interests required to be maintained pursuant to section 325 of the Act or which are interests of persons connected with the Directors within the meaning of section 346 of the Act, the existence of which is known or which could, with reasonable diligence, be ascertained by the Directors are, and will be, as follows:

	Existing		Following Admission (assuming full subscription and no underwriting)	
Director	**Number of Ordinary Shares**	**Percentage of issued ordinary share capital**	**Number of Ordinary Shares**	**Percentage of issued ordinary share capital**
Paul Brett+++	5,331,080	40.1%	5,747,746	28.79%
Simon Hume-Kendall*+++	5,303,080	39.9%	5,428,080	27.19%
Christopher Brown	125,000	0.9%	205,000	1.03%
Frazer Thompson**	14,000	0.1%	14,000	0.07%
Adrian Drewe* +++	5,303,080	39.9%	5,428,080	27.19%
Paul Kraftman +++	625,000	4.7%	675,000	3.38%

* Simon Hume-Kendall and Adrian Drewe are each interested in these shares by virtue of (i) their personal shareholdings of 14,000 Ordinary Shares each plus (ii) 5,289,080 Ordinary Shares held by Lamberhurst Vineyards (2000) Limited, a company which they jointly control.

** Frazer Thompson is also interested in 1,968,450 Ordinary Shares under the terms of his options described in paragraph 6.1.

+++ Pursuant to the Committed Investor Agreements referred to in paragraph 13.1, Mr Paul Brett has also been granted 666,666 warrants to subscribe for Ordinary Shares at 15p per share, Lamberhurst Vineyards (2000) Limited has also been granted 250,000 warrants to subscribe for Ordinary Shares at 15p per share, Christopher Brown has also been granted 41,666 warrants to subscribe for Ordinary Shares at 15p per share and Paul Kraftman has also been granted 100,000 warrants to subscribe for Ordinary Shares at 15p per share.

Paul Brett is interested in 100,000 'A' Preference Shares and 100,000 'B' Preference Shares. Simon Hume-Kendall and Adrian Drewe are jointly interested in 100,000 'A' Preference Shares and 100,000 'B' Preference Shares which are held by Lamberhurst Vineyards (2000) Limited, a company which they jointly control.

At the date of this document Christian Carlsen holds 500,000 Ordinary Shares, representing 3.8 per cent. of the issued share capital.

The Directors have undertaken to Ruegg that they will not dispose of any Ordinary Shares for a period of 12 months from the date of admission to trading on OFEX.

At the date of this document and immediately following Admission, so far as the Directors are aware, no person or persons other than those set out above, are or will, immediately following the Offer (assuming full subscription), be interested, directly or indirectly, in 3 per cent. or more of the votes able to be cast at general meetings of the Company.

Save as disclosed above or in Part I, and in so far as the Company has the information, the Directors are not aware of anyone who either alone or, if connected, jointly following the completion of the Offer will (directly or indirectly) exercise or could exercise control over the Company.

5. Additional Information on the Directors

The directorships of the Directors currently held and held over the 5 years preceding the date of this document (other than of the Company and English Wines plc) are as follows:

Director	Current directorships	Past directorships
Paul Brett	Giraffe Concepts Limited Savannah Restaurants (UK) Limited	The Thomson Corporation plc Thomson Travel Group plc Thomson Travel Group (Holdings) Limited Britannia Airways Limited Thomson Travel International Limited Lunn Poly Limited Thomson Quad 4 Limited Thomson Quad 2 Limited Thomson Quad 1 Limited Portland Holidays Limited Tui UK Limited Tui UK Transport Limited Tui Northern Europe Limited English Country Cottages Limited Holiday Cottages Group Limited Orion Airways Limited Sky Tours Limited Vere Leisure Limited Vacation Rental Group Holdings Limited Character Cottages (Holidays) Limited Country Holidays Limited Holiday Cottages (Scotland) Limited Haywood Amaro Cottage Holidays Limited Northumbria Holiday Cottages Limited
Simon Hume-Kendall	Drewe and Hume-Kendall Investments Limited Oakover Properties Limited Oakover Properties (Lamberhurst) Limited Lamberhurst Vineyards (2000) Limited London & Athens Limited London & Athens (Agencies) Limited (dissolved) Ticehurst Property Services Limited (dissolved) Central Technical Unit Holdings plc (dissolved) Stenoak Associated Services plc (in liquidation) Vines Bungalow Limited	Crystal Palace F.C. (1986) Limited Stenoak Associated Services Plc Royston Steel Fencing Limited BFN Realisations Limited
Frazer Thompson	Brand Finance plc Razorlink Limited Labatt Distribution Company Limited (dissolved)	Mybeat Limited

Director	Current directorships	Past directorships
Christopher Brown	Drewe & Hume-Kendall Investments Limited Lamberhurst Vineyards (2000) Limited Elephant & Swan Limited Bandpaper Limited SSW Limited Swan at the Vineyard Limited Vines Bungalow Limited	Stenoak Associated Services plc Associated Axam Ltd Brifen Limited Silverline (Holdings) Limited Stenoak Fencing Limited Stenoak Operations Limited TAWM Limited TAWM(UK) Limited TAWM Vehicle Maintenance Limited Oakover Holdings Limited Oakover Properties Limited Stenoak – RSF Joint Ventures Limited BFN Realisations Limited AA Realisations Limited The Swan at the Vineyard Limited
Adrian Drewe	Oakover Holdings Limited Drewe & Hume-Kendall Investments Limited Oakover Properties (Lamberhurst) Limited Oakover Properties Limited Parsonage Properties (UK) Limited Bandpaper Limited	Stenoak Associated Services plc Stenoak Fencing Limited Stenoak Operations Limited Brifen Limited Holgate Fencing Limited Holgate Fencing (Ireland) Ltd Royston Steel Fencing Limited Stengate Fencing Limited
Paul Kraftman	Menkind Stores Limited	Tempo Limited Tempo Holdings Limited (in receivership) Tempo Employees Trustee Limited K.F. Group Limited Bonsai Limited Bonsai Institute Limited Kolome Limited The Vanilla Computer Company Limited Lightning Trade Distribution Limited Cutprice.com Limited

Simon Hume-Kendall was a director of Progressive Ship Management Limited when that company was placed into compulsory liquidation on 14 July 1997. There was no public criticism of the directors of this company. The shortfall to creditors is approximately £679,000, although there is still litigation ongoing by the liquidators of the company which is thought to be worth approximately £900,000 (although a lower settlement figure may be agreed). Mr Hume-Kendall is amongst the major creditors of the company.

Simon Hume-Kendall and Adrian Drewe were both non-executive directors of Stenoak Associated Holdings plc when that company was placed into compulsory liquidation on 13 November 2002. There has been no public criticism of the directors of this company by any statutory or regulatory authority. The recovery of debts and the realisation of other assets is still ongoing and therefore the shortfall to creditors is not yet known. Mr Hume-Kendall and Mr Drewe are amongst the major creditors of the company.

Paul Kraftman was a director of Tempo Holdings Limited when that company had an administration order made against it on 24 September 2001. There has been no public criticism of the directors of this company by any statutory or regulatory authority. The estimated deficiency to creditors, as stated in the directors' statement of affairs, was approximately £30m.

Simon Hume-Kendall underwent an Individual Voluntary Arrangement in 1998. All creditors were paid in full.

Save as disclosed in this prospectus, none of the Directors have any unspent convictions (other than an offence under road traffic legislation in respect of which a custodial sentence was not imposed on him), have been declared bankrupt or have been the subject of an individual voluntary arrangement. None of the Directors were directors of any company at the time of, or within the 12 months preceding, its bankruptcy, receivership, administration, liquidation, company voluntary arrangement or composition or arrangement with its creditors generally. There have been no public criticisms of any of the Directors by any statutory or regulatory authority and no Director has ever been disqualified by a Court from acting as a Director of a Company or from acting in the management or conduct of the affairs of any company. No Director was partner in any partnership at the time or within 12 months preceding its compulsory liquidation, dissolution, administration or partnership or voluntary arrangement. None of the Directors has been contacted by the Department of Trade and Industry in connection with their conduct with respect to any of the companies set out above.

6. Directors' Service Agreements and Emoluments

The Directors have entered into agreements with the Company as follows:

6.1 Pursuant to an agreement dated 11 February 2003 Frazer Thompson was appointed Managing Director of the Company (recording the terms of his appointment since 1 November 2001) with an annual basic salary of £70,000 payable monthly in arrears, plus an annual bonus based on the profits of the Company and other incidental benefits. The appointment is terminable by at least 3 months written notice by either party. Frazer has been granted share options in respect of 1,968,450 Ordinary Shares, exercisable at the exercise price of 12.5p per share (or such other price as may be agreed with the Inland Revenue) over the next four years (or earlier in the event of either the sale of the Company's assets to a third party or the takeover of the Company pursuant to a general offer).

6.2 Pursuant to a letter of appointment dated 11 February 2003 Simon Hume-Kendall agreed to act as a non-executive director of the Company for an annual fee of £7,500 payable monthly in arrears. The appointment can be terminated by either party by 3 months' notice although Mr Hume-Kendall cannot terminate his appointment within 12 months following Admission.

6.3 Pursuant to an agreement dated 11 February 2003, Christopher Brown was appointed on a self-employed basis as Finance Director of the Company with his fee based on the number of days devoted to the Company's business at £256.62 per day. The agreement provides that Mr Brown shall devote, on average, 3 days per week to the Company's business. The appointment is subject to termination on 3 months' written notice by either party.

6.4 Pursuant to a letter of appointment dated 11 February 2003, Paul Brett agreed to act as a non-executive director of the Company for an annual fee of £7,500. The appointment is subject to termination on 3 months' written notice by either party, although Mr Brett cannot terminate his appointment within 12 months following Admission.

6.5 Pursuant to a letter of appointment dated 11 February 2003, Adrian Drewe agreed to act as a non-executive director of the Company for an annual fee of £7,500. The appointment is subject to termination on 3 months' written notice by either party, although Mr Drewe cannot terminate his appointment within 12 months following Admission.

6.6 Pursuant to a letter of appointment dated 11 February 2003, Paul Kraftman agreed to act as a non-executive director of the Company for an annual fee of £7,500. The appointment is subject to termination on 3 months' written notice by either party, although Mr Kraftman cannot terminate his appointment within 12 months following Admission.

The aggregate remuneration paid and benefits in kind granted to the Directors for the financial year ended 30 September 2002 amounted to £74,796. It is estimated that the aggregate remuneration (including benefits in kind) of the Directors for the financial year ending 30 September 2003, under the arrangements currently in force will amount to approximately £124,750.

Save as set out above, there are no existing or proposed service agreements between any of the Directors and the Company.

7. United Kingdom Taxation

The statements below are intended only as a general guide to the United Kingdom tax position as at the date of this document for United Kingdom residents beneficially entitled to their Ordinary Shares held as investments and is based on current legislation and practice. It may not apply to certain classes of shareholders such as dealers in securities. Investors should consult their own tax advisers. This summary is not exhaustive and does not generally consider tax reliefs or exemptions.

(a) Reliefs available for OFEX securities

As unquoted securities for tax purposes, various reliefs may be available for OFEX securities, including inheritance tax business property relief (Chapter 1 of Part V of the Inheritance Tax Act 1984). The precise details of reliefs are not within the scope of this summary, however any person who is in any doubt as to his taxation position should consult an appropriate professional adviser without delay.

(b) Taxation of Capital Gains

An individual shareholder who is either resident or ordinarily resident in the United Kingdom (whether or not domiciled there), may be liable to capital gains tax on any disposal of his shares in the Company.

A United Kingdom resident corporate shareholder may be liable to corporation tax on chargeable gains on any disposal of its shares in the Company.

A shareholder who is not resident (nor, in the case of an individual, ordinarily resident) in the United Kingdom, will not normally be liable to United Kingdom tax on capital gains on any disposal of shares in the Company unless the shareholder carries on a trade, profession or vocation in the United Kingdom through a branch or agency, and the shares are, or have been used, held or acquired for the purpose of such trade, profession or vocation, branch or agency.

(c) Taxation of income

Individual shareholders who are resident in the United Kingdom for tax purposes will be liable to income tax on the aggregate of the dividend received and the tax credit (''the gross dividend''). The value of the tax credit attached to dividends paid by the Company in future for individual shareholders (currently one ninth of any dividend paid) will be available to set against their income tax liability. Lower and basic rate taxpayers will have no further liability to tax on their dividend. Higher rate taxpayers will be liable to tax on all or part of the sum of the dividend plus the tax credit at the Schedule F upper rate (currently 32.5 per cent) against which liability they can offset the tax credit. No part of the tax credit is repayable.

A United Kingdom resident corporate shareholder will normally not be liable to United Kingdom corporation tax on any dividend received. No part of the tax credit will be available for set off against losses. No claim for repayment of a tax credit can be made in relation to a dividend paid to a pension fund or venture capital trust. Special transitional rules apply to charities.

Shareholders who are not resident in the United Kingdom may be subject to foreign taxation in respect of the dividend received from the Company under the laws of their own country of residence. Such shareholders should consult their own tax advisers concerning their tax liabilities, both in the United Kingdom and their country of residence, on whether they can benefit from all or any part of any tax credit and whether a relief or credit may be claimed in the jurisdiction in which they are resident.

(d) Stamp Duty and Stamp Duty Reserve Tax

Except in relation to depository receipt arrangements and clearance services where special rules apply, under current law, no stamp duty or SDRT will be payable on the issue of shares.

The above is a general summary of certain tax matters and should not be considered as constituting advice. Any person who is in any doubt as to his taxation position, or is subject to taxation in a jurisdiction other than the United Kingdom, should consult an appropriate professional adviser without delay.

8. Working Capital

The Directors are of the opinion, having made due and careful enquiry, that the working capital available to the Group will, from Admission, be sufficient for its present requirements, that is the next twelve months.

9. Minimum Subscription

In the opinion of the Directors, the minimum amount which must be raised from the Offer for the purposes mentioned in paragraph 21 of the POS Regulations is £500,000 made up as follows:

Purchase price of property –	Nil
Expenses of the Offer and commission –	£60,000
Repayment of borrowings –	Nil
Working capital –	£440,000

10. Premises

The Company owns the freehold title to Tenterden Vineyard Park, Small Hythe, Tenterden, comprising of a complex of buildings providing for wine processing, storage and distribution facilities, administration, restaurant, café and retail premises, garden nursery, rural museum, vineyards and pasture (measuring approximately 65 acres in total).

The Tenterden premises is charged to Barclays Bank, Lamberhurst Vineyards (2000) Limited and Paul Brett, securing amounts owed by the Company to each of them under their respective loan agreements and facilities.

In respect of the Lamberhurst site, there are a number of leases dealing with different parts of the site.

The land under vines (originally approximately 20 acres) is leased to English Wines on a standard farm business tenancy agreement, which is due to expire on 23 November 2010. The rent is £2,247 per annum, with a rent review every three years. It has been agreed in principle that a new farm business tenancy agreement will be entered into on materially the same terms, save that the land under vines shall be reduced to approximately 15 acres and the rent reduced to £2,000 per annum.

The Shop premises at Lamberhurst are leased to English Wines on a lease which is due to expire on 31 December 2011. The rent is £20,000 per annum, with a rent review every 3 years. It has been agreed in principle that a new lease will be entered into on maternally the same terms says that it shall be due to expire on 28 April 2017. It is intended that Part II of the Landlord & Tenant Act 1954 (dealing with security of tenure) is excluded in respect of this lease.

The Winery (a warehouse behind the Shop) is leased to the Company on a lease which is due to expire on 31 December 2017. The rent is £15,000 per annum with a rent review every three years. In addition, the Company is liable to make contributions to certain ''common parts''. Part II of the Landlord & Tenant Act 1954 is excluded in respect of this lease.

The Bond premises (a large storage area next to the Winery) is leased to the Company on a lease which is due to expire on 31 December 2011. The rent is £5,000 per annum with a rent review every year. Either party may terminate the lease prior to the end of the term by giving not less than six months' notice to the other. It is intended that Part II of the Landlord & Tenant Act 1954 is excluded in respect of this lease.

The Swan at the Vineyard public house is leased to the Company on a lease which is due to expire on 28 April 2017. A premium of £30,000 is payable on or before 28 April 2005, which carries interest at 5 per cent per annum until paid. The rent is £20,000 per annum, with rent reviews every three years. If the lease is assigned by the Company before 28 April 2005, 50 per cent. of the consideration paid for the lease and any goodwill associated with the premises, less the premium and any qualifying improvement costs, will be payable to the landlord. If the lease is assigned after 28 April 2005, the same amount will be payable, except that the premium shall not be deducted. It is intended that Part II of the Landlord & Tenant Act 1954 is excluded in respect of this lease.

The freehold of all of the above properties at Lamberhurst, other than the Swan at the Vineyard public house, are owned by Oakover Properties (Lamberhurst) Limited, a company controlled by persons connected to Lamberhurst Vineyards (2000) Limited, Simon Hume-Kendall and Adrian

Drewe. The freehold of the Swan at the Vineyard public house is owned by Oakover Properties Limited, which is also controlled by the same persons.

Barclays Bank, who have a charge over the freehold has been asked to consent to the grant of these leases and such consent is expected in due course.

11. Litigation

Neither the Company nor English Wines is engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, there is no litigation or claim pending or threatened against the Company or English Wines.

12. Share Option Scheme

The Company has granted options to Frazer Thompson entitling him to subscribe for up to 1,968,450 Ordinary Shares at an exercise price of 12.5p per share or such price as may be agreed with the Inland Revenue over the next four years (''the Senior Options'').

In addition to the Senior Options, the Directors are proposing to implement an Inland Revenue approved share option scheme for the benefit of certain employees. The scheme will be implemented in accordance with all statutory requirements. The maximum aggregate amount of options which the Directors will grant under the scheme before seeking approval from shareholders is 5 per cent of the issued share capital of the Company from time to time. The exercise prices of these options shall be not less than the Offer Price.

The precise terms of the share option scheme for employees have yet to be settled and will be influenced by the conditions in a competitive recruitment market. However, subject to such market conditions, it is intended that they should contain conventional terms as to the times when options can be exercised, provisions to deal with the circumstances of employment ceasing and events such as a take-over of the Company or variations in the share capital of the Company. Further consideration will also be given as to whether the exercise of options should be subject to any performance conditions and if so, what those performance conditions should be

13. Material Contracts

The following material contracts, not being a contract entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

13.1 On 11 February 2003, the Company entered into Committed Investor Agreements with each of Paul Brett, Paul Kraftman, Lamberhurst Vineyards (2000) Limited, Gledhow Investments plc, Neil Fergusson (Chemist) Limited Graham Simpson, Yianna Simpson, Christopher Radmore, Christopher Brown and John Clive Mattock. Under these agreements, the Committed Investors agreed to subscribe for 833,333 Offer Shares and in the event that £500,000 is not raised pursuant to the Offer to subscribe for such number of Offer Shares pro-rata so as to bring the amount of capital raised to £500,000. The Committed Investor Agreements are conditional upon Admission taking place by no later than 30 April 2003. As consideration for these investment commitments the Company has agreed to grant 1,666,666 warrants to the Committed Investors entitling them to subscribe for new Ordinary Shares at the Offer Price at any time for a period of five years from the date of grant.

The Committed Investor Agreements as entered into contain, *inter alia*, the following conditions:

a) The application by the Committed Investors for the new Ordinary Shares being subject to the admission to OFEX of the new Ordinary Shares.

b) If Admission has not taken place by midnight 30 April 2003 or such later time as all the Committed Investors unanimously agree, the obligations of the parties will cease and no parties shall have any claim against any other party.

c) The Committed Investors may at their absolute discretion waive the Company's compliance with any of the above conditions.

13.2 A letter dated 30 October 2002 whereby the Company appointed Ruegg & Co as corporate adviser. The Company has agreed to pay Ruegg & Co a corporate finance fee of £10,000 plus VAT and disbursements, a commission of 4.5 per cent of funds raised pursuant to the Offer and has agreed to grant Ruegg & Co the Arranger Warrant. The Company has also agreed to pay Ruegg & Co an annual corporate advisory fee of £10,000 plus VAT and disbursements. A further fee of £10,000 plus VAT is payable in the event of the Company deciding to allot a further 1,666,666 Ordinary Shares in the event that the Offer is over-subscribed. In addition, the Company and the Executive Directors have entered into a Corporate Adviser's Agreement with Ruegg & Co dated 11 February 2003 to formalise these arrangements. Under the Corporate Adviser's Agreement the Company and the Executive Directors have given certain warranties and indemnities to Ruegg & Co as to the accuracy of information in this document and as to other matters in relation to the Group and its business. The Corporate Adviser's Agreement may be terminated by Ruegg & Co before completion of the Offer in certain limited circumstances, including for material breach of the warranties referred to above.

13.3 The Warrants described in paragraph 2.3 above.

13.4 Group Borrowing and Security

The Group currently has various loan facilities with Barclays Bank plc and Barclays Mercantile Business Finance Limited, with £699,877.64 and £244,681.88 owing to each of them respectively as at the end of January 2003.

The Group also has loans outstanding to its two major shareholders, Lamberhurst Vineyards (2000) Limited and Paul Brett, and following the conversion of parts of these loans into Preference Shares (as referred to in paragraph *2.2*(f) above) the amount outstanding to each of them is £190,000.

The Group has granted various charges and other security to the lenders mentioned above, securing the amounts owing to them. Such security comprises mortgages over the Tenterden premises, fixed and floating charges over the property, assets and undertaking of the Group, chattel mortgages over certain plant and equipment and mortgages over wine stock.

14. General

(a) The auditors of the Company are Creaseys of 12 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1PA.

(b) The financial information contained in this document does not amount to full accounts within the meaning of the Act.

(c) The expenses of or incidental to the Offer payable by the Company are estimated to amount to £88,600 (excluding VAT), including commission of £33,100.

(d) Creaseys has given and not withdrawn its written consent to the inclusion of references to the firm herein in the form and context in which they appear and to the inclusion of its reports and letters in the document and have not become aware, since the date of such reports, of any matter affecting the validity of its reports at that date.

(e) Ruegg has given and not withdrawn its written consent to the issue of this document with its name included in it and references to it in the form and context in which they appear. J M Finn & Co has given and not withdrawn its written consent to the issue of this document with its name included in it and references to it in the form and context in which they appear.

(f) The Company's accounting reference date is 30 September.

(g) The Company will be a close company (as defined in the Income and Corporation Taxes Act 1988) immediately following the Offer.

(h) The nominal value of each Ordinary Share is 5p and they are being offered at 15p per Ordinary Share, giving a premium of 10p per Ordinary Share.

(i) Other than the current application for admission of Ordinary Shares to trading on OFEX, the Ordinary Shares have not been admitted to dealings on any recognised investment exchange nor has any application for such admission been made, nor are there intended to be, any other arrangements for there to be dealings in the Ordinary Shares.

(j) This document has been prepared in accordance with current UK tax legislation, practice and concession and interpretation thereof. Such legislation and practice may change and the current interpretation may therefore no longer apply.

(k) Save for remuneration received in respect of services rendered to the Company, no payment or other benefits have been paid or given or are now proposed to be paid or given to any promoter, save as described in this document. The Directors are the promoters of the Company.

(l) Save as disclosed in this document the Directors are not aware of any exceptional factors which have influenced the Company's activities.

(m) There have been no significant recent trends concerning the development of the Company's business since the end of the Company's last completed financial year.

(n) Save as described in this document, there are no patents or intellectual property rights, licences or particular contracts which are or may be of fundamental importance to the Company's business.

(o) At the date of this document the Company has no intention to make any new principal investments save as set out herein.

(p) Brett Miller, a director and shareholder of Ruegg is also a director and shareholder of Gledhow Investments plc, one of the Committed Investors. Ruegg will receive fees (including the Arranger Warrant) and commission in connection with the Offer and Gledhow Investments plc will be granted warrants as part of the group of Committed Investors as described in paragraph 13.1 of Part III of this Prospectus

15. Documents Available for Inspection

Copies of the following documents will be available for inspection at the offices of Thomson Snell & Passmore at 3 Lonsdale Gardens, Tunbridge Wells, Kent TN1 1NX during normal business hours on any week day (Saturdays, Sundays and public holidays excepted) for a period of 28 days from the date of this document.

a) Memorandum and Articles of Association of the Company.

b) The Service Agreements and Letters of Appointment referred to in paragraph 6 above.

c) The Material Contracts referred to paragraph 13 above.

d) The written consents referred to in paragraphs 14(d) and (e) above.

e) The Report by Creaseys set out in Part II of this document.

16. Availability of Document

Copies of this document will be available free of charge from the offices of Ruegg at 39 Cheval Place, Knightsbridge, London SW7 1EW and will remain available for at least 14 days after the date of Admission.

12 February 2003

PART IV TERMS AND CONDITIONS AND PROCEDURE FOR APPLICATION

1. Applications for Offer Shares are subject to the terms and conditions included in the Application Form and set out below.

2. The basis of allotment will be determined by the Directors and Ruegg & Co Limited in their absolute discretion. Dealings prior to the issue of share certificates will be at the risk of applicants. A person so dealing must recognise the risk that an application may not have been accepted to the extent anticipated or at all. The Directors and Ruegg & Co Limited reserve the right:

   (i) to reject any application in whole or in part or to scale down any applications or to accept applications on a ''first come first served'' basis;

   (ii) to extend the period during which the subscription list remains open; and

   (iii) to treat any application as valid and binding on an applicant even if the Application Form is not complete in all respects or is not accompanied by a power of attorney where required.

3. The Application Form should be completed in full and sent or delivered to the address set out on the Application Form together with a remittance for the full amount payable. Cheques and banker's drafts must be payable to ''Northern Registrars Limited, a/c English Wines Group plc'' and crossed ''Not negotiable'' and should be drawn in sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a settlement member of the Cheque and Clearing Company Limited or the CHAPS & Town Clearing Company Limited or a member of either of the committees of the Scottish or Belfast Clearing Houses which has arranged for its cheques and bankers' drafts to be cleared through the facilities provided by either of those companies or those committees (and must bear the appropriate sorting code number in the top right hand corner). Applications must be for a minimum of 10,000 Offer Shares and thereafter in multiples of 1,000 Offer Shares. The issue price of the Offer Shares is 15 pence per share and applications must therefore be for a minimum of 10,000 Offer Shares at an aggregate price of £1,500 and thereafter in multiples of £150 for each additional tranche of 1,000 Offer Shares applied for (or such smaller number for which the application may be accepted). Applicants are advised to allow two full business days for delivery through the post and to use first class mail. Applications will not be acknowledged.

4. The right is reserved to present all cheques and banker's drafts on receipt and to retain certificates for new ordinary shares and any monies returnable pending the clearance of all cheques or pending investigations of any suspected breach of the terms applying to the application. All cheques, certificates and other documents sent or returned to applicants will be sent at the risk of the person(s) entitled thereto.

5. Cheques will be presented by Northern Registrars Limited for payment on receipt into an interest bearing collection account with Yorkshire Bank plc. If Northern Registrars Limited has not received £500,000 (being the minimum amount) in cleared funds by 3.00 pm on 24 March 2003 or such later date as the Board may resolve, the Offer will lapse and all monies will be refunded to applicants within seven days thereafter without interest by crossed cheque through the post at the risk of the applicant. Any interest accruing thereon will accrue to the Company. Monies may be transferred to the Company as the Directors and Ruegg & Co Limited may determine against allotment and issue of Offer Shares. If any application is not accepted, the amount paid on application will be returned without interest in each case sent through the post at the applicant's risk.

6. By completing and delivering an Application Form, you irrevocably undertake as follows:

   (i) to subscribe for such number of shares specified in the Application Form (or such lesser number as is accepted), on the terms of, and subject to, the conditions set out in this document, including these terms and conditions and subject to the Memorandum and Articles of Association of the Company;

   (ii) to accept such new Ordinary Shares as may be allotted to you in accordance with Box 1 of the Application Form or such lesser number (being not less than £1,500 sterling in value) of Offer Shares in respect of which this application may be accepted;

(iii) that all applications, acceptances, allotments and contracts arising from it will be governed by and construed in accordance with English law;

(iv) that you are not under the age of 18 and that if you sign the Application Form on behalf of somebody else or a corporation you have the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these terms and conditions of application;

(v) you authorise the Company or any of its respective agents to send by post a share certificate for the number of Offer Shares for which your application is accepted and/or a crossed cheque and/or return your cheque(s) or banker's draft(s) for any monies returnable, in each case at the risk of the person(s) entitled thereto, to your address (or that of the first named applicant) as set out in the Application Form and to procure that your name (together with the name(s) of any other joint applicant(s)) is/are placed on the Register of Members of the Company in respect of such Ordinary Shares;

(vi) that you are not relying on any information or representation other than those contained in this document and accordingly you agree that neither the Company nor any person responsible solely or jointly for this prospectus or any part thereof shall have any liability for any such other information or representation;

(vii) that the cheque or banker's draft accompanying your Application Form will be honoured on first presentation and you agree that if it is not so honoured the Company may (without prejudice to any other rights it may have) avoid the agreement to allot the relevant Offer Shares and may allot or sell them to some other person in which case you will not be entitled to any refund or payment in respect thereof; and

(viii) that you have read and complied with paragraph 7 below.

7. Applications will not be accepted from persons resident in the United States of America, Canada or Australia and by completing and returning the Application Form the applicant warrants that he is not a person so resident. No person receiving a copy of this prospectus and/or an Application Form in any other territory (other than the United Kingdom) may treat the same as constituting an invitation or offer to him, nor should he in any event use such Application Form, unless in the relevant territory such an invitation or offer could lawfully be made to him and such Application Form could lawfully be used without contravention of any regulation or other legal requirements. It is a condition of any application by any such person outside the United Kingdom that he has satisfied himself as to the full observance of the laws of any relevant territory, including the obtaining of any governmental or other consents which may be required and has observed any other formalities in such territory and paid any issue, transfer or other taxes due in such territory. The Company reserves the right to request applicants to produce evidence satisfactory to them of their right to apply for Offer Shares under the Offer and that such application would not result in the Company, its advisors or the Directors being in breach of any laws or regulations of the relevant jurisdiction.

8. The Company reserves the right to treat any application, which does not comply strictly with the terms and conditions of the application as nevertheless valid.

9. No letters of allotment or other renounceable or temporary documents of title or receipts will be issued in respect of accepted applications but share certificates will be despatched within 28 days of allotment.

10. Applications will be irrevocable.

11. If the value of your application is £10,000 or more (or is one of a series of linked applications the aggregate value of which equals or exceeds that amount), the verification of identity requirements of the Money Laundering Regulations 1993 will apply and verification of the identity of the applicant(s) may be required. A failure to provide the necessary evidence of identity may result in the rejection of your application or in delays in the despatch of a share certificate or the return of the application monies. In order to avoid this, you should ideally make payment by means of a cheque drawn by the person named in Box 3 of the Application Form. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or a bankers' draft, you should:

(i) write the name and address of the person named in Box 3 of the Application Form on the back of the cheque, building society cheque or banker's draft;

(ii) if a building society cheque or banker's draft is used, ask the building society to endorse on the cheque or banker's draft the name and account number of the person whose building society or bank account is being debited. The bank or building society endorsement should be overlaid with the branch stamp; and

(iii) if you are making the application as agent for one or more persons, indicate in the bottom of the Application Form whether you are a UK or EC regulated person or institution (e.g. a bank or broker) and specify your status. If you are not a UK or EC regulated person or institution, you should contact Ruegg & Co Limited and seek guidance.

If within a reasonable period of time following a request for verification of identity, Ruegg & Co Limited has not received satisfactory evidence, the Company may at its absolute discretion reject your application in which event the application monies will be returned without interest to the account at the drawee bank from which such monies emanate.

12. The receiving agents in relation to the Offer are Northern Registrars Limited of Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0LA.

13. Any applicant requiring assistance in completing the Application Form should telephone Ruegg & Co Limited on 020 7584 3663 or fax them on 020 7584 4664.

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ENGLISH WINES GROUP PLC

(Incorporated in England with Registered Number 4362181)

Issue of up to 6,666,666 Ordinary Shares of 5p each at 15p per share payable in full on application

Application Form

This Application Form should be completed and sent to **Northern Registrars Limited of Northern House, Woodsome Park, Fenay Bridge, Huddersfield HD8 0LA,** together with your cheque or banker's draft payable to "Northern Registrars Limited – a/c English Wines" and crossed "Not Negotiable" for the amount payable (inserted in Box 2) so as to arrive as soon as possible. The subscription list will open at 10.00 am on 15 February 2003 and may be closed at any time thereafter and in any event by 3.00 pm on 24 March 2003 (unless extended by the Directors).

IMPORTANT – Before completing this Application Form you should carefully read the Terms and Conditions and Procedure for Application set out in Part IV of the prospectus dated 12 February 2003 ("the Prospectus"). If you need further copies of the Prospectus, which includes an Application Form, please call **Ruegg & Co Limited on 020 7584 3663.**

Definitions used in the Prospectus shall have the same meaning in this Application Form.

This Application Form is only made available with and as an enclosure to the Prospectus. The entire contents of the section in the Prospectus headed "Terms and Conditions and Procedures for Application" is deemed to be included and set out in this Application Form.

Any person signing this Application Form under power of attorney must enclose the original power of attorney (or a copy certified by a solicitor) for inspection. If you post your Application Form, you are recommended to use first class post and allow at least two working days for delivery.

Box 1	I/We hereby irrevocably offer to subscribe for		Offer Shares at 15p each

in English Wines Group plc on the terms and conditions set out in the Prospectus and subject to the Memorandum and Articles of Association of the Company or any smaller number of Ordinary Shares for which this application is accepted.

Note: Applications must be for a minimum of 10,000 shares at a subscription price of 15p per share and thereafter in multiples of 1,000 shares at 15p per share.

Box 2	I/We attach a cheque or banker's draft payable to "Northern Registrars Limited a/c English Wines", for the total amount of (multiply the number of shares applied for by 15p sterling)	**£**

Box 3 Please use block capitals	Forename/s (in full)		
	Surname or company name (Mr / Mrs / Miss or title)		
	Address (in full)		
	Postcode	Daytime Telephone Number	
	Signature	Date:	E-mail:

The first or sole applicant should sign and complete Box 3. Fill in Boxes 4 and 5 only if there is more than one applicant. Insert in Box 4 the names and addresses of the further joint applicants, each of whose signature is required in Box 5.

PLEASE USE BLOCK CAPITALS

Box 4	Forename(s) in full	Forename(s) in full	Forename(s) in full
	Surname Mr, Mrs, Ms., Miss or title	Surname Mr, Mrs, Ms., Miss or title	Surname Mr, Mrs, Ms, Miss or title
	Address (in full)	Address (in full)	Address (in full)
	Postcode	Postcode	Postcode

Box 5	Signature	Signature	Signature

I/We authorise /I /We do not authorise (delete whichever is inapplicable) the Company or its advisers to contact me by telephone or e-mail in connection with any queries arising on my application.

If you have any queries relating to the completion of this Application Form, please telephone Ruegg & Co Limited on 020 7584 3663.

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