

Kite Hill Inc
"Kite Hill Vineyards"
Unreviewed Financial Statements
January 1st – December 31st, 2016 & 2017

Kite Hill Inc has been sold to Grammer Road Holdings LTD. These financial statements are attached to the offering statement of Grammer Road Holdings LTD to provide additional information to the investor, but are not an indication of future performance for Grammer Road Holdings LTD.

3:24 PM
10/24/18
Accrual Basis

Kite Hill Vineyards
Balance Sheet
As of December 31, 2016
Dec 31, 16

ASSETS

Current Assets

Checking/Savings

Cash 1,060.01

First Mid-Illinois Checking 6,609.20

Total Checking/Savings 7,669.21

Other Current Assets

Inventory Asset 29,189.67

Total Other Current Assets 29,189.67

Total Current Assets 36,858.88

Fixed Assets

Accum. Depr. -100,287.00

Appliances 3,777.16

Computer 4,589.20

Equipment 904.23

Furniture 15,496.07

Improvements 3,066.00

Land Improvements 6,500.00

New Tasting Room Conversion 129.25

Vineyard Equipment 7,013.59

Wine Making Equipment 4,159.27

Winery 274,560.83

Yard Tractpr 2,651.40

Total Fixed Assets 222,560.00

TOTAL ASSETS 259,418.88

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

Corporate Credit Card Balance 24,695.00

Total Credit Cards 24,695.00

Other Current Liabilities

Gift Certificates Outstanding 300.00

Payroll Liabilities 2,855.10

Tax Liabilities 96.34

Total Other Current Liabilities 3,251.44

Total Current Liabilities 27,946.44

Long Term Liabilities

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Accrual Basis

Kite Hill Vineyards
Balance Sheet
As of December 31, 2016

	<u>Dec 31, 16</u>
Loan from Share Holders	499,931.86
Total Long Term Liabilities	<u>499,931.86</u>
 Total Liabilities	 527,878.30
 Equity	
Capital Stock	1,000.00
Retained Earnings	-266,933.30
Net Income	-2,526.12
Total Equity	<u>-268,459.42</u>
 TOTAL LIABILITIES & EQUITY	 <u><u>259,418.88</u></u>

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Accrual Basis

Kite Hill Vineyards
Profit & Loss
January through December 2016
Jan - Dec 16

Ordinary Income/Expense	
Income	
Sales	
Bed & Breakfast (Room Night)	17,186.01
Festival	30,177.39
Tasting Room	76,308.15
Wholesale Non Tax	-38.40
Total Sales	123,633.15
Sales Discounts	-907.32
Total Income	122,725.83
Cost of Goods Sold	
Overhead COGS	
Real Estate Taxes	4,501.82
Payroll	24,626.02
Insurance	5,203.50
Wine Making Equipment & Repair	65.95
Excise Tax (State & TTB)	2,171.76
Electric - Winery	3,201.01
Trailer	19.00
Total Overhead COGS	39,789.06
Cost of Goods Sold	
Vineyard	
Chemicals	780.56
Spraying	495.00
Vineyard Maintenance	381.38
Total Vineyard	1,656.94
Wine Making	
Bottles	2,927.22
Bulk Wine	2,289.60
Filters	1,607.47
Grapes	1,593.15
Labels	1,479.30
Supplies	325.29
UPC LABELS	150.00
Yeast & Additives	919.21
Wine Making - Other	1,149.21
Total Wine Making	12,440.45
Cost of Goods Sold - Other	1,818.67
Total Cost of Goods Sold	15,916.06
Total COGS	55,705.12

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Accrual Basis

Kite Hill Vineyards
Profit & Loss
January through December 2016
Jan - Dec 16

Gross Profit	67,020.71
Expense	
Advertising	
BNB Finder	299.00
Advertising - Other	265.34
Total Advertising	564.34
Bed & Breakfast	3,306.90
Building Repairs	1,447.42
Computer Expense	232.36
Corporate Annual Fee	100.00
Credit Card Interest	6,438.38
Credit Card Processing Fees	2,087.82
Day Labor	2,645.50
Depreciation Expense	9,586.00
Dues and Subscriptions	2,171.36
Equipment Repair	545.15
Festival	3,146.16
Insurance	
Fire Extinguisher Inspection	76.93
Insurance - Other	2,216.15
Total Insurance	2,293.08
Kite Festial	419.32
Landscaping & Groundskeeping	3,181.22
Licenses, Permits, & Fees	
Health Department	380.00
Illinois Shippers Liquor Licens	600.00
State Retail License (Annual)	100.00
Licenses, Permits, & Fees - Other	200.00
Total Licenses, Permits, & Fees	1,280.00
Meals and Entertainment	440.79
Office Supplies	705.95
Postage and Delivery	236.77
Professional Development	535.00
Professional Fees	1,300.00
Real Estate Taxes	4,501.82
Tasting Room	
Merchandise Sold TR	4,290.25
Tasting Room - Other	2,544.72
Total Tasting Room	6,834.97
Tractor (repair and mtce.)	2,552.10
Travel	2,195.76

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Accrual Basis

Kite Hill Vineyards
Profit & Loss
January through December 2016

	<u>Jan - Dec 16</u>
Utilities	
Dish TV	1,123.06
Dumpster	350.00
Electric - B&B	3,510.00
Electric Tasting Room	2,147.11
Frontier	1,021.17
Water	<u>609.20</u>
Total Utilities	8,760.54
Website	120.00
Wine Competition	<u>80.00</u>
Total Expense	<u>67,708.71</u>
Net Ordinary Income	-688.00
Other Income/Expense	
Other Expense	
Verizon Wireless/Cell	<u>1,838.12</u>
Total Other Expense	<u>1,838.12</u>
Net Other Income	<u>-1,838.12</u>
Net Income	<u><u>-2,526.12</u></u>

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Accrual Basis

Kite Hill Vineyards
Balance Sheet
As of December 31, 2017
Dec 31, 17

ASSETS

Current Assets

Checking/Savings

First Mid-Illinois Checking 997.00

Total Checking/Savings 997.00

Other Current Assets

Inventory Asset 29,189.67

Total Other Current Assets 29,189.67

Total Current Assets 30,186.67

Fixed Assets

Accum. Depr. -109,685.00

Appliances 3,777.16

Computer 4,589.20

Equipment 904.23

Furniture 15,496.07

Improvements 3,066.00

Land Improvements 6,500.00

New Tasting Room Conversion 129.25

Vineyard Equipment 7,013.59

Wine Making Equipment 4,159.27

Winery 274,560.83

Yard Tractpr 2,651.40

Total Fixed Assets 213,162.00

TOTAL ASSETS 243,348.67

LIABILITIES & EQUITY

Liabilities

Current Liabilities

Credit Cards

Corporate Credit Card Balance 30,028.70

Total Credit Cards 30,028.70

Other Current Liabilities

Gift Certificates Outstanding 440.00

Payroll Liabilities 2,206.00

Tax Liabilities 1,422.00

Total Other Current Liabilities 4,068.00

Total Current Liabilities 34,096.70

Long Term Liabilities

Loan from Share Holders 504,290.00

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Accrual Basis

Kite Hill Vineyards
Balance Sheet
As of December 31, 2017
Dec 31, 17

Total Long Term Liabilities	<u>504,290.00</u>
Total Liabilities	538,386.70
Equity	
Capital Stock	1,000.00
Retained Earnings	-269,459.42
Net Income	<u>-26,578.61</u>
Total Equity	<u>-295,038.03</u>
TOTAL LIABILITIES & EQUITY	<u><u>243,348.67</u></u>

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Accrual Basis

Kite Hill Vineyards
Profit & Loss
January through December 2017

Jan - Dec 17

Ordinary Income/Expense

Income

Sales

Bed & Breakfast (Room Night)	16,264.12
Event Center	744.94
Festival	38,596.38
Tasting Room	58,674.06
Wholesale Non Tax	999.00
Sales - Other	100.00

Total Sales 115,378.50

Sales Discounts -595.50

Total Income 114,783.00

Cost of Goods Sold

Overhead COGS

Real Estate Taxes	4,519.72
Payroll	19,262.25
Insurance	4,934.00
Wine Making Equipment & Repair	898.28
Payroll Tax	119.57
Excise Tax (State & TTB)	1,996.30
Electric - Winery	2,493.29
Trailer	31.22

Total Overhead COGS 34,254.63

Cost of Goods Sold

Vineyard

Chemicals	824.32
Labor	1,620.00
Spraying	495.00
Vineyard Maintenance	61.24
Vineyard - Other	10,324.37

Total Vineyard 13,324.93

Wine Making

Bottles	3,245.57
Corks	874.91
Grapes	4,504.80
Labels	1,041.63
Supplies	2,449.52
UPC LABELS	150.00
Wine Making - Other	70.00

Total Wine Making 12,336.43

Cost of Goods Sold - Other 5,139.01

Total Cost of Goods Sold 30,800.37

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Accrual Basis

Kite Hill Vineyards
Profit & Loss
January through December 2017

Jan - Dec 17

Total COGS	65,055.00
Gross Profit	49,728.00
Expense	
Advertising	675.49
Bed & Breakfast	
Hotel & Motel Tax	76.09
Jackson County Bed Tax	336.25
Bed & Breakfast - Other	3,825.61
Total Bed & Breakfast	4,237.95
Building Repairs	3,969.80
Computer Expense	590.27
Corporate Annual Fee	100.00
Credit Card Interest	4,587.56
Credit Card Processing Fees	1,901.24
Dues and Subscriptions	1,812.55
Equipment Repair	63.34
Event Center	57.48
Festival	3,091.68
Insurance	
Fire Extinguisher Inspection	72.99
Insurance - Other	9,990.01
Total Insurance	10,063.00
Landscaping & Groundskeeping	2,624.36
Licenses, Permits, & Fees	
Health Department	230.00
Jackson County Liquor License	500.00
Licenses, Permits, & Fees - Other	814.20
Total Licenses, Permits, & Fees	1,544.20
Meals and Entertainment	589.50
Office Supplies	2,859.40
Postage and Delivery	112.00
Professional Development	710.47
Professional Fees	1,400.00
Real Estate Taxes	4,519.72
Tasting Room	
Merchandise Sold TR	6,212.66
Music (Entertainment for tasting room)	2,500.00
Tasting Room - Other	7,490.56
Total Tasting Room	16,203.22
Tractor (repair and mtce.)	1,441.84

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Accrual Basis

Kite Hill Vineyards
Profit & Loss
January through December 2017

	<u>Jan - Dec 17</u>
Travel	764.51
Utilities	
Dish TV	1,191.16
Electric - B&B	3,200.24
Electric Tasting Room	1,859.77
Frontier	770.02
Phone Com	163.96
Water	636.33
Utilities - Other	1,559.00
Total Utilities	<u>9,380.48</u>
Website	258.75
Wine Competition	360.00
Total Expense	<u>73,918.81</u>
Net Ordinary Income	-24,190.81
Other Income/Expense	
Other Expense	
Verizon Wireless/Cell	1,817.45
Auto Insurance	570.35
Total Other Expense	<u>2,387.80</u>
Net Other Income	<u>-2,387.80</u>
Net Income	<u><u>-26,578.61</u></u>