

COMPANY REGISTRATION NO 3920388

CARIBBEAN TWIST LIMITED

REPORT AND FINANCIAL STATEMENTS

53 week period ended 30 June 2007

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Company Information

Directors	J E Halewood S J Oldroyd D Wharton	(Resigned 8 August 2006)
Secretary	P Horsfall S J Oldroyd	(Appointed 23 August 2006) (Resigned 23 August 2006)
Registered office	The Sovereign Distillery Huyton Business Park Wilson Road Huyton Liverpool L36 6AD	
Registered number	3920388	
Auditors	Deloitte and Touche LLP Liverpool	
Bankers	Lloyds TSB Bank plc 94 Fishergate Preston Lancashire PR1 2JB	

Report of the Directors

The directors present their report and the audited financial statements for the 53 week period ended 30 June 2007

Principal Activities

The principal activities of the company are the ownership of alcoholic beverage brands and the granting of licences, which generate royalty payments from licensees

Business Review

The principal activities of the company are the ownership of alcoholic beverage brands. The right to produce, distribute and sell products under these brands is licensed to fellow group undertakings and, on occasions, selected third parties for which the company receives annual royalty payments

Caribbean Twist Limited is a wholly owned subsidiary of Halewood International Holdings (UK) Limited, a company incorporated in England. The ultimate parent undertaking is Halewood International Holdings PLC. The Group monitor performance as a whole, therefore a complete review of the business and future prospects of the Group is included in the Directors' Report of the ultimate parent company accounts

The directors are satisfied with the performance of the company during the period. Turnover was £430,547, which was an increase of 6.4% on the previous period (2006: £404,594). Operating profit was £307,562, which was an increase of 8.6% on the previous period (2006: £283,233).

The directors are not aware, at the date of this report, of any likely major changes in the company's activities in the next period.

Principal risks and uncertainties

The company operates in a highly competitive, fashion led market and as such is subject to threat of competitors launching new products in the markets in which we operate. Any loss in volumes will adversely impact the royalty payment the company receives. To help mitigate this risk the company invests heavily in product development and marketing to ensure the life cycle of the company's products are extended.

The company is wholly dependent upon internal group customers. Loss of these group customers would eliminate the royalties it receives which are the company's only source of revenue.

Future Outlook

The company continues to operate in a very competitive domestic market and as a result pressure on volumes will continue. To combat these pressures the company will continue to focus on its successful strategy of new product development and providing marketing support for its brands.

Charitable and Political Contributions

No charitable donations were made during the period (2006: £nil).

No political donations were made during the period (2006: £nil).

Results And Dividends

The profit for the period after taxation amounted to £215,697 (2006: £193,943). The directors do not propose the payment of a dividend (2006: £nil).

Directors

The present directors of the company who served throughout the period together with movements during the period are set out on page 1.

The current directors hold no shares in the company at 30 June 2007 or 24 June 2006. The directors' interests in the shares of the ultimate parent undertaking are disclosed in the financial statements of that company.

Report of the Directors (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Each of the persons who is a director at the date of approval of this report confirms that

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

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte & Touche LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approval

The report of the directors was approved by the Board on 28/4/08 and signed on its behalf by



P Horsfall
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARIBBEAN TWIST LIMITED

We have audited the financial statements of Caribbean Twist Limited for the 53 week period ended 30 June 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the other information contained in the Annual Report as described in the contents section, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any further information outside the Annual Report.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARIBBEAN TWIST LIMITED (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 June 2007 and of its profit for the 53 week period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors
Liverpool
United Kingdom

29 April 2008

Profit and Loss Account

For the 53 weeks ended 30 June 2007

	Note	53 weeks ended 30 June 2007 £	52 weeks ended 24 June 2006 £
Turnover	2	430,547	404,594
Cost of sales		(122,000)	(118,674)
Gross profit		308,547	285,920
Administration expenses		(985)	(2,687)
Operating profit	3	307,562	283,233
Interest payable	5	(110,407)	(86,030)
Interest receivable	6	109,570	78,079
Profit on ordinary activities before tax		306,725	275,282
Tax on profit on ordinary activities	7	(91,028)	(81,339)
Profit on ordinary activities after tax	12,13	215,697	193,943

There were no recognised gains or losses other than the profit for the current and previous financial periods. Accordingly, no separate statement of total recognised gains and losses is given.

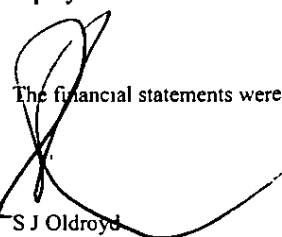
The company's activities derive from continuing operations.

Balance Sheet

At 30 June 2007

	Note	30 June 2007 £	24 June 2006 £
Fixed assets			
Intangible assets	8	-	-
Current assets			
Debtors	9	2,125,496	1,725,539
Creditors amounts falling due within one year	10	(1,925,864)	(1,741,604)
Net current assets / (liabilities)		199,632	(16,065)
Net assets / (liabilities)		199,632	(16,065)
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	199,532	(16,165)
Equity shareholders' funds / (deficit)	13	199,632	(16,065)

The financial statements were approved by the Board on 28/4/08 and signed on its behalf by



S J Oldroyd
Director

Notes to the Financial Statements

For the 53 weeks ended 30 June 2007

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards

The company is exempt from publishing a cash flow statement because it is a wholly owned subsidiary undertaking of Halewood International Holdings PLC, which publishes a consolidated cash flow statement

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Intangible asset

The company capitalises purchased brand costs where they meet the criteria set out in FRS 10. These are amortised over the estimated economic life of the products, this is currently estimated at 3 years. In addition to systematic amortisation, the book value is written down to recoverable amount when any impairment is identified

Turnover

Turnover is predominantly royalty income and royalty payments are recognised upon sale from the licensee

2. TURNOVER

All turnover arises in the United Kingdom and is derived from the principal activity

3. OPERATING PROFIT

The analysis of auditors' remuneration is as follows

	53 weeks ended 30 June 2007 £	52 weeks ended 24 June 2006 £
Fees payable to the company's auditors for the audit of the company's annual statements	500	500
Total audit fees	500	500

Fees payable to the company's auditors for non-audit services in the period were £nil (2006 £nil)

Notes to the Financial Statements

For the 53 weeks ended 30 June 2007

4. EMPLOYEES AND DIRECTORS EMOLUMENTS

No staff costs or directors' remuneration were paid by the company during the period (2006 £nil) There were no staff employed by the company during the period (2006 nil)

5. INTEREST PAYABLE

	53 weeks ended 30 June 2007 £	52 weeks ended 24 June 2006 £
Interest due to parent undertaking	103,222	79,944
Interest due to fellow subsidiary undertaking	7,185	6,086
	<hr/>	<hr/>
	110,407	86,030
	<hr/>	<hr/>

6. INTEREST RECEIVABLE

	53 weeks ended 30 June 2007 £	52 weeks ended 24 June 2006 £
Interest from fellow subsidiary undertaking	109,570	78,079
	<hr/>	<hr/>
	109,570	78,079
	<hr/>	<hr/>

Notes to the Financial Statements

For the 53 weeks ended 30 June 2007

7. TAXATION

	53 weeks ended 30 June 2007 £	52 weeks ended 24 June 2006 £
United Kingdom Corporation Tax		
Current tax on income for the period	1,991	2,111
Adjustment in respect of prior periods	123	(23)
	<hr/>	<hr/>
	2,114	2,088
Group Relief	88,914	79,251
	<hr/>	<hr/>
Current taxation	91,028	81,339
	<hr/>	<hr/>
Current tax reconciliation		
	53 weeks ended 30 June 2007 £	52 weeks ended 24 June 2006 £
Profit on ordinary activities before taxation	306,725	275,282
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard UK corporation tax rate of 30% (2006 30%)	92,018	82,585
Effects of		
- adjustments in respect of prior periods	124	(23)
- difference in UK corporation tax rates	(1,114)	(1,223)
	<hr/>	<hr/>
	91,028	81,339
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Notes to the Financial Statements

At 30 June 2007

8. INTANGIBLE FIXED ASSETS

	Brands £
Cost	
At 25 June 2006 & 30 June 2007	1,400,000
Amortisation	
At 25 June 2006 & 30 June 2007	1,400,000
Net book value	
At 24 June 2006 & 30 June 2007	-

9. DEBTORS

	30 June 2007 £	24 June 2006 £
Other debtors	-	182
Amounts due from fellow subsidiary undertakings	2,125,496	1,725,357
	2,125,496	1,725,539

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 June 2007 £	24 June 2006 £
Corporation tax	1,991	2,111
Amounts due to parent undertakings	1,704,855	1,599,653
Amount due to fellow subsidiary undertakings	219,018	139,840
	1,925,864	1,741,604

11. SHARE CAPITAL

	30 June 2007 Number	24 June 2006 Number
Authorised		
1,000 ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100

Notes to the Financial Statements

At 30 June 2007

12. PROFIT & LOSS RESERVE

	£
At 25 June 2006	(16,165)
Profit for the period	215,697
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At 30 June 2007	199,532
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13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS / (DEFICIT)

	2007 £	2006 £
Profit for the period	215,697	193,943
Opening shareholders' deficit	(16,065)	(210,008)
	<hr/>	<hr/>
Closing shareholders' funds / (deficit)	199,632	(16,065)
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14. CONTINGENT LIABILITY

The company is party to group borrowings facilities under which the various UK companies in the group have cross-guaranteed the borrowings due to Lloyds TSB Bank plc. At 30 June 2007 the borrowings of the group amounted to £18,082,000 (2006 £6,328,000).

15. RELATED PARTY TRANSACTIONS

The company has undertaken transactions with its fellow companies within the Halewood International Holdings Group. Under the provisions of Financial Reporting Standard No 8 "Related Party Disclosures" the company is exempt from disclosing the details of these transactions.

16. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the smallest group, which includes the company, is Halewood International Holdings (UK) Limited. The ultimate parent company is Halewood International Holdings PLC, a company registered in England. Group accounts for Halewood International Holdings PLC are available to the public on payment of the appropriate fee, from Companies registration Office, Crown Way, Maindy, Cardiff, CF4 3UZ.