

COMPANY REGISTRATION NO: 3920388

CARIBBEAN TWIST LIMITED

REPORT AND FINANCIAL STATEMENTS

For the 52 week period ended 28 June 2008

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Company Information

Directors	J E Halewood S J Oldroyd
Secretary	P Horsfall
Registered office	The Sovereign Distillery Huyton Business Park Wilson Road Huyton Liverpool L36 6AD
Registered number	3920388
Auditors	Deloitte LLP Chartered Accountants & Registered Auditors 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 52 week period ended 28 June 2008.

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 £333,014, which was a decrease of 22.7% on the previous period (2007: £430,547). Operating profit was £322,014, which was an increase of 4.7% on the previous period (2007: £307,562).

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.

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 is expected to 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.

The directors have considered the going concern assumption and this is included in note 1 to the accounts.

Charitable and Political Contributions

No charitable donations were made during the period (2007: £nil).

No political donations were made during the period (2007: £nil).

Results and Dividends

The profit for the period after taxation amounted to £240,254 (2007: £215,697). The directors do not propose the payment of a dividend (2007: £nil).

Directors and their interests

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 28 June 2008 or 30 June 2007. 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)

Small company

The directors' report has been prepared in accordance with the special provisions relating to small companies under Section 246(4) of the Companies Act 1985.

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 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 29 April 2007 and signed on its behalf by:



S J Oldroyd
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CARIBBEAN TWIST LIMITED

We have audited the financial statements of Caribbean Twist Limited for the 52 week period ended 28 June 2008 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 28 June 2008 and of its profit for the 52 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 LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Liverpool
United Kingdom

30 April 2009

Profit and Loss Account

For the 52 weeks ended 28 June 2008

	Note	52 weeks ended 28 June 2008 £	53 weeks ended 30 June 2007 £
Turnover	2	333,014	430,547
Cost of sales		(10,000)	(122,000)
Gross profit		323,014	308,547
Administration expenses		(1,000)	(985)
Operating profit	3	322,014	307,562
Interest payable	5	(118,044)	(110,407)
Interest receivable	6	135,687	109,570
Profit on ordinary activities before tax		339,657	306,725
Tax on profit on ordinary activities	7	(99,403)	(91,028)
Profit on ordinary activities after tax	12,13	240,254	215,697

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

The company's activities derive from continuing operations.

Balance Sheet

At 28 June 2008

	Note	28 June 2008 £	30 June 2007 £
Fixed assets			
Intangible assets	8	-	-
Current assets			
Debtors	9	2,583,197	2,125,496
Creditors: amounts falling due within one year	10	(2,143,311)	(1,925,864)
Net current assets		439,886	199,632
Net assets		439,886	199,632
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	439,786	199,532
Equity shareholders' funds	13	439,886	199,632

The financial statements were approved by the Board on 28 April 2009 and signed on its behalf by:

S J Oldroyd
Director

Notes to the Financial Statements

For the 52 weeks ended 28 June 2008

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding period.

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

Purchased brands that are acquired by the company are stated at cost less accumulated amortisation. 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.

Going concern

The company meets its day-to-day working capital requirements through loans from its parent undertaking and fellow subsidiary companies. The company's forecasts and projections, taking account of possible changes in trading performance, show that the company will be able to operate within the level of funding available.

After making enquiries, the directors have a reasonable expectation that the company has access to adequate resources and believe that the company is well placed to manage its business risks successfully, despite the current uncertain economic outlook and impact on consumer spending, and is expected to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

The Directors are in receipt of a letter of support from its ultimate parent company Halewood International Holdings PLC. This letter of support confirms that the loans from group undertakings, and inter company trade balances will not need to be repaid and the company will continue to receive support to meet its forecasted requirements for a minimum of 12 months from the date the accounts are signed.

Turnover

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

2. TURNOVER

All turnover derives from the principal activity and arises from the United Kingdom. Turnover by origin and destination are not materially different.

Notes to the Financial Statements (continued)

For the 52 weeks ended 28 June 2008

3. OPERATING PROFIT

The analysis of auditors' remuneration is as follows:

	52 weeks ended 28 June 2008 £	53 weeks ended 30 June 2007 £
Fees payable to the company's auditors for the audit of the company's annual accounts.	1,000	500

Fees payable to the company's auditors for non-audit services in the period were £nil (2007: £nil).

4. EMPLOYEES AND DIRECTORS EMOLUMENTS

No staff costs or directors' remuneration were paid by the company during the period (2007: £nil). There were no staff employed by the company during the period (2007: nil).

5. INTEREST PAYABLE

	52 weeks ended 28 June 2008 £	53 weeks ended 30 June 2007 £
Interest due to parent undertaking	110,401	103,222
Interest due to fellow subsidiary undertaking	7,643	7,185

6. INTEREST RECEIVABLE

	52 weeks ended 28 June 2008 £	53 weeks ended 30 June 2007 £
Interest from fellow subsidiary undertaking	135,609	109,570

Notes to the Financial Statements (continued)

For the 52 weeks ended 28 June 2008

7. TAXATION

	52 weeks ended 28 June 2008 £	53 weeks ended 30 June 2007 £
United Kingdom Corporation Tax		
Current tax on income for the period	1,898	1,991
Adjustment in respect of prior periods	(128)	123
	<hr/> 1,770	<hr/> 2,114
Group Relief		
Group Relief	97,433	88,914
Adjustment in respect of prior periods	200	-
	<hr/> 99,403	<hr/> 91,028
Total tax on profit on ordinary activities	<hr/> <hr/> 99,403	<hr/> <hr/> 91,028
 Current tax reconciliation		
	52 weeks ended 28 June 2008 £	53 weeks ended 30 June 2007 £
Profit on ordinary activities before taxation	339,657	306,725
	<hr/>	<hr/>
Tax on profit on ordinary activities at standard UK corporation tax rate of 29.5% (2007: 30%)	100,199	92,018
Effects of:		
- adjustments in respect of prior periods	72	124
- difference in UK corporation tax rates	(868)	(1,114)
	<hr/> 99,403	<hr/> 91,028
Current tax charge for the period	<hr/> <hr/> 99,403	<hr/> <hr/> 91,028

Notes to the Financial Statements (continued)

At 28 June 2008

8. INTANGIBLE FIXED ASSETS

	Brands £
Cost	
At 1 July 2007 and 28 June 2008	1,400,000
Amortisation	
At 1 July 2007 and 28 June 2008	1,400,000
Net book value	
At 30 June 2007 and 28 June 2008	-

9. DEBTORS

	28 June 2008	30 June 2007
	£	£
Amounts due from fellow subsidiary undertakings	2,583,197	2,125,496

The intercompany loan has no fixed term of repayment. Interest is paid monthly at a commercial rate above the Bank of England base rate.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	28 June 2008	30 June 2007
	£	£
Corporation tax	3,761	1,991
Amounts due to parent undertakings	1,918,998	1,704,855
Amount due to fellow subsidiary undertakings	220,552	219,018
	2,143,311	1,925,864

In respect of amounts due to parent and fellow subsidiary undertakings, confirmation has been obtained that the balances will not be called for repayment in the foreseeable future. Interest is paid monthly at a commercial rate above the Bank of England base rate.

11. SHARE CAPITAL

	28 June 2008	30 June 2007
	£	£
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 (continued)

At 28 June 2008

12. PROFIT & LOSS RESERVE

	£
At 1 July 2007	199,532
Profit for the period	240,254
	<hr/>
At 28 June 2008	439,786
	<hr/>

13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the period	240,254	215,697
Opening shareholders' funds / (deficit)	199,632	(16,065)
	<hr/>	<hr/>
Closing shareholders' funds	439,886	199,632
	<hr/>	<hr/>

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 28 June 2008 the borrowings of the group amounted to £22,462,000 (2007: £16,937,000).

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 AND CONTROLLING PARTY

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.

The Ultimate controlling Party of the Company is J E Halewood, a director of the company, owing to his overall control of the parent company.