Registered number: 4066731

# Thresher Wines Acquisitions Limited

Annual report and financial statements
for the year ended 28 June 2008

# Directors' report

For the year ended 28 June 2008

The directors present their report on the affairs of the group, together with the audited financial statements and auditors' report, for the year ended 28 June 2008.

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

**Principal activities**

The principal activity of the company is that of a holding company. The group is a wholly owned subsidiary of Thresher Wines Holdings Limited. The company disposed of all its freehold premises during the year.

**Business review and future developments**

The directors consider trading activity to be satisfactory and that it will continue to be so in the foreseeable future.

**Results and dividends**

The audited financial statements for the year ended 28 June 2008 are set out on pages 6 to 14. The loss for the year after taxation was £32,811,000 (2007: loss £2,438,000).

The directors do not recommend the payment of a dividend (2007: £nil).

**Directors and their interests**

The directors who served throughout the year were as follows:

R Whiteside (resigned 4 September 2007)
J S Masters (appointed 30 August 2007, Resigned 5 March 2009)
H B Ainley (resigned 3 October 2008)
Y Rankin (appointed 5 September 2007)
K Gozzett (resigned 19 July 2007)
D M Thomson(resigned 19 July 2007)

M Healy was appointed a director on 6 October 2008, and L Stephens on 11 March 2009.

No director held any other interests in the shares of the company or any other group undertaking at the current year end or prior period end (date of appointment if later).

No director held any material interest in any contract or arrangement subsisting with the company or any other group undertaking during the year. R B Kendall was appointed a director 19 July 2007 and resigned on 23 August 2007.

**Supplier payment policy**

The company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

**Charitable and political contributions**

During the year the company made no charitable donations or political donations (2007: £nil).

**Auditors**

Deloitte & Touche LLP resigned as auditors on 26 February 2008, Ernst & Young LLP were appointed as auditors on the same day.

In accordance with sections 386 and 379A of the Companies Act 1985, the company has elected to dispense with the requirement to appoint auditors annually.

**Information provided to the auditors**

Each of the directors at the date of approval of this report confirms that:

(i) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and

(ii) the director has taken all the steps that he/she ought to have taken as a director to make himself/herself 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.

Martin Healy

By order of the Board

M Healy

29 April 2009

# Directors' responsibilities

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

United Kingdom 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 as at the end of the financial year and of its profit or loss for that year. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent Auditors' Report to the members of Thresher Wines Acquisitions Limited**

We have audited the company's financial statements for the year ended 28 June 2008 which comprise the profit and loss account, 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 United Kingdom law and 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 directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

**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 circumstances of the company and the group, 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.

**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 loss for the year 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.

Ernst & Young LLP

**Ernst & Young LLP**
**Registered auditor**

Luton, England

29 April 2009

## Profit and loss account

For the year ended 28 June 2008

| | Notes | Year to 28 June 2008 £'000 | Year to 30 June 2007 £'000 |
|---|---|---|---|
| Other operating (expenses)/ income | 3 | (25) | 315 |
| **Operating (loss)/ profit** | | (25) | 315 |
| Profit on disposal of tangible fixed assets | 3 | 4,198 | 32,791 |
| **Profit on ordinary activities before finance charges** | | 4,173 | 33,106 |
| Interest payable and similar charges | 4 | (36,984) | (37,543) |
| **(Loss) on ordinary activities and retained loss for the financial year** | | (32,811) | (4,437) |

The loss for the current year and for the prior year are reported under the historical cost convention.

There are no other recognised gains or losses for the financial year other than the retained loss shown above and consequently no statement of total recognised gains and losses is presented.

All activities derive from continuing operations.

# Balance sheet

28 June 2008

| | Notes | 28 June 2008 £'000 | 30 June 2007 £'000 |
|---|---|---|---|
| **Fixed assets** | | | |
| Tangible assets | 7 | - | 1,958 |
| Investments | 8 | 186,871 | 186,871 |
| | | 186,871 | 188,829 |
| **Current assets** | | | |
| **Debtors:** amounts falling due after one year | 9 | 233,666 | 217,982 |
| Cash at bank and in hand | | - | 10 |
| | | 233,666 | 217,992 |
| **Creditors:** Amounts falling due within one year | 10 | (58,924) | (3) |
| **Net current assets** | | 174,742 | 217,989 |
| **Total assets less current liabilities** | | 361,613 | 406,818 |
| **Creditors:** Amounts falling due after more than one year | 11 | (406,081) | (418,475) |
| **Net liabilities** | | (44,468) | (11,657) |
| **Capital and reserves** | | | |
| Called up share capital | 12 | 30,000 | 30,000 |
| Profit and loss account | 13 | (74,468) | (41,657) |
| **Equity shareholders' deficit** | 14 | (44,468) | (11,657) |

The financial statements on pages 8 to 14 were approved by the board of directors on ~~xx February~~ 29 APRIL 2009 and signed on its behalf by:

M Healy Director

29 April 2009

The accompanying notes are an integral part of this balance sheet.

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

**1.1 Basis of accounting**

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

The company's net liabilities are as a result of amounts owed to other group companies, it is not expected that that these amounts will be repayable in the foreseeable future.

**1.2 Tangible fixed assets**

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

| | |
|---|---|
| Freehold buildings | 50 years |

Residual value is calculated on prices prevailing at the date of acquisition.

The carrying values of tangible fixed assets are reviewed for impairment in years where events or changes in circumstances indicate that the carrying value may not be recoverable. Any impairment in the value of fixed assets below depreciated historical cost is charged to the profit and loss account within operating profit. A reversal of an impairment loss is recognised in the profit and loss account to the extent that the original loss was recognised.

**1.3 Investments**

Fixed asset investments are shown at cost less provision for impairment. The carrying values of investments are reviewed for impairment in years where events or changes in circumstances indicate that the carrying value may not be recoverable.

**1.4 Taxation**

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

**2Segment information**

The directors consider that the company has only one continuing ordinary activity, that of a holding company. This activity is considered to arise from continuing operations wholly conducted within the United Kingdom.

**3 Loss on ordinary activities before taxation**

Loss on ordinary activities before taxation is stated after charging/(crediting):

| | Year to 28 June 2008 £000 | Year to 30 June 2007 £000 |
|---|---|---|
| Depreciation – owned assets | 25 | 315 |
| Profit on disposal of fixed assets | 4,198 | 32,791 |

Auditors remuneration of £5,000 was borne by First Quench Retailing Limited, a fellow group company.

**4 Finance costs**

| | Year to 28 June 2008 £000 | Year to 30 June 2007 £000 |
|---|---|---|
| Interest payable and similar charges: | | |
| Amounts owed to group undertakings | 36,984 | 37,543 |

### 5 Directors' remuneration and employees

The directors received no remuneration for their services to the company during either the current or prior year. The company did not have any employees during the year.

### 6 Tax on loss on ordinary activities

The tax charge comprises:

| | Year to 28 June 2008 £'000 | Year to 30 June 2007 £'000 |
|---|---|---|
| **Current Taxation** | | |
| UK corporation tax charge for the year | - | - |
| **Total tax on losses on ordinary activities** | - | - |

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

| | Year to 28 June 2008 £'000 | Year to 30 June 2007 £'000 |
|---|---|---|
| **Loss on ordinary activities before tax** | (32,811) | (2,438) |
| Tax on loss on ordinary activities at standard UK corporation tax rate of 28% (2007 : 30%) | (9,187) | (731) |
| Effects of: | | |
| Unrelieved tax losses carried forward | 9,040 | 5,543 |
| Depreciation in excess of capital allowances | 7 | 144 |
| Chargeable gains (effects of indexation) | (391) | (4,956) |
| Group relief surrendered | 531 | - |
| **Current tax for the year** | - | - |

A deferred tax asset, in respect of timing differences relating to losses carried forward of £41,673,000 (2007 - £34,963,000) has not been recognised, as there is insufficient evidence that there will be suitable taxable gains available in the foreseeable future against which to offset losses. The asset would be recovered if the company made suitable profits or gains in future accounting periods.

**7 Tangible fixed assets**

| | Freehold land and Buildings £'000 |
|---|---|
| **Cost** | |
| At 30 June 2007 | 2,553 |
| Additions | - |
| Disposals | (1,479) |
| Transfer between group companies | (1,074) |
| At 28 June 2008 | - |
| **Depreciation** | |
| At 30 June 2007 | 595 |
| Charge for the year | 25 |
| Disposals | (144) |
| Transfers between group companies | (476) |
| At 28 June 2008 | - |
| **Net book value** | |
| At 28 June 2008 | - |
| At 30 June 2007 | 1,958 |

Freehold land, amounting to £562,287 (30 June 2007: £781,875) has not been depreciated, and was disposed of during the year.

## 8 Fixed asset investments

*Subsidiary undertakings*

| | £'000 |
|---|---|
| **Cost** | |
| At 30 June 2007 and 28 June 2008 | 228,681 |
| **Impairment** | |
| At 30 June 2007 and 28 June 2008 | 41,810 |
| **Net book value** | |
| At 30 June 2007 and 28 June 2008 | 186,871 |

*Principal group investments*

| | Country of incorporation | Principal Activity | Holding | % |
|---|---|---|---|---|
| First Quench Retailing Limited* | Great Britain | Drinks retailing | Ordinary share capital | 100 |
| Thresher Leasing Limited | Great Britain | Equipment Leasing | Ordinary share capital | 100 |

* held directly by Thresher Wines Acquisitions Limited

## 9 Debtors: Amounts falling due after more than one year

| | 28 June 2008 £'000 | 30 June 2007 £'000 |
|---|---|---|
| Amounts owed by group undertakings | 233,666 | 217,982 |
| | 233,666 | 217,982 |

## 10 Creditors: Amounts falling due within one year

| | 28 June 2008 £'000 | 30 June 2007 £'000 |
|---|---|---|
| Other creditors | 58,924 | 3 |
| | 58,924 | 3 |

### 11 Creditors: Amounts falling due after more than one year

| | 28 June 2008 £'000 | 30 June 2007 £'000 |
|---|---|---|
| Amounts owed to group undertakings | | |
| Zero coupon bonds | 45,845 | 45,845 |
| Other | 360,236 | 372,630 |
| | 406,081 | 418,475 |

The terms of repayment and interest rates of the company's facilities at 28 June 2008 and at 30 June 2007 was as follows:

| Facility | Counter party | Intere te | Date of maturity |
|---|---|---|---|
| £45,845,184 zero coupon bond | Thresher Wines Holdings Limited | 0% | 5 August 2012 |
| | | 11% | 16 October 2007 |

The bond has an expiry date of 5 August 2012

The amounts owed to group undertakings carry no specific terms of repayment.

### 12 Called up share capital

| | 28 June 2008 £'000 | 30 June 2007 £'000 |
|---|---|---|
| *Authorised* | | |
| 55,000,000 ordinary shares of £1 each | 55,000 | 55,000 |
| *Allotted, called up and fully-paid* | | |
| 30,000,001 ordinary shares of £1 each | 30,000 | 30,000 |

**13 Reserves**

| | Profit and loss account |
|---|---|
| | £'000 |
| At 30 June 2007 | (41,657) |
| Retained loss for the year | (32,811) |
| At 28 June 2008 | (74,468) |

**14 Reconciliation of movements in equity shareholders' deficit**

| | Year to 28 June 2008 £'000 | Year to 30 June 2007 £'000 |
|---|---|---|
| Loss for the financial year | (32,811) | (4,437) |
| Opening shareholders' funds | (11,657) | (7,220) |
| Closing shareholders' funds | (44,468) | (11,657) |

**15 Related party transactions**

As a majority owned subsidiary undertaking of Thresher Wines Holdings Limited in accordance with FRS8 "Related Party disclosures" the company is not required to disclose transactions with other members of the group.

**16 Ultimate Controlling party**

As at 28 June 2008 the immediate parent of the company was Thresher Wines Group Limited, a company incorporated in Great Britain and registered in England and Wales.

First Quench Group Limited is the parent company of the largest and the smallest group of which the company is a member and for which the group financial statements are drawn up.

As at 28 June 2008 First Quench Group Limited has £200,000 of called up share capital of which 75% is held by Haig Luxembourg Holdco S.à r.l. and 25% by Co-investment Acquisition No. 3 LP Incorporated.