

## **Thresher Wines Group Limited**

Annual report and financial statements  
for the year ended 28 February 2004

Registered number: 04355190



## Directors' report

For the year ended 28 February 2004

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 28 February 2004.

### Principal activities and business review

The company was incorporated on 17 January 2002 and acquired 100% of the shares in Thresher Wines Acquisitions Limited on 26 April 2002. The principal activity of the company is that of an intermediate holding company and as such it does not trade. The subsidiary undertakings held by the company are listed in note 6 to the financial statements.

### Results and dividends

The audited financial statements for the year ended 28 February 2004 are set out on pages 6 to 14.

The directors do not recommend the payment of a dividend on the ordinary shares (2003 - £nil). The finance cost of the 11% cumulative preference shares was accrued in the period and has been transferred to other reserves in accordance with FRS 4.

### Directors

The directors who served during the period were as follows:

M Fresson	(appointed 17 January 2002, resigned 8 January 2004)
C P T O'Haire	(appointed 23 September 2003)
C M Rowlinson	(appointed 17 January 2002, resigned 23 September 2003)
J K Williamson	(appointed 8 January 2004)

No director held interest in the shares of the company or any other group company at the year-end.

### Charitable and political contributions

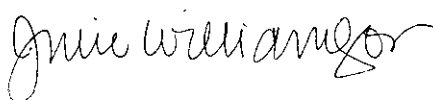
During the period the company made no charitable donations or political donations.

**Auditors**

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.

Carmelite  
50 Victoria Embankment  
Blackfriars  
London  
EC4Y 0DX

By order of the Board,

A handwritten signature in black ink, appearing to read 'J K Williamson', written in a cursive style.

29 September 2004

J K Williamson

Director

## Directors' responsibilities

United Kingdom company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. 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; 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 Group Limited**

We have audited the financial statements of Thresher Wines Group Limited for the 52 week period ended 28 February 2004, which comprise the profit and loss account, balance sheet, the statement of accounting policies and the related notes numbered 1 to 13. 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**

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

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 if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company is not disclosed.

We read the directors' report for the above year and consider the implications for our report if we become aware of any apparent misstatements.

### **Basis of audit opinion**

We conducted our audit in accordance with United Kingdom auditing standards 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 judgements 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 (continued)

### Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company at 28 February 2004 and of the company's loss for the 52 week period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Deloitte & Touche UK*

**Deloitte & Touche LLP**

**Chartered Accountants and Registered Auditors**

London

30 September 2004

## Profit and loss account

For the year ended 28 February 2004

	Notes	52 weeks ended 28 February 2004 £'000	58 weeks ended 1 March 2003 £'000
Finance cost of non-equity shares	5	(4,239)	(3,393)
<b>Retained loss for the period</b>	10,11	<u>(4,239)</u>	<u>(3,393)</u>

There are no recognised gains or losses in the period other than the loss for the period.

The loss for the period is reported under the historical cost convention.

# Balance sheet

28 February 2004

	Notes	2004 £'000	2003 £'000
<b>Fixed assets</b>			
Investments	6	<u>35,159</u>	<u>35,159</u>
<b>Current assets</b>			
<b>Debtors:</b> Amounts falling due within one year	7	-	1
Cash at bank and in hand		<u>1</u>	<u>-</u>
<b>Net current assets</b>		<u>1</u>	<u>1</u>
<b>Net assets</b>		<u>35,160</u>	<u>35,160</u>
<b>Capital and reserves</b>			
Called up share capital	8	35,160	35,160
Other reserves	9	7,632	3,393
Profit and loss account	9	<u>(7,632)</u>	<u>(3,393)</u>
<b>Shareholders' funds</b>	10	<u>35,160</u>	<u>35,160</u>
<b>Shareholders' funds may be analysed as:</b>			
Equity interests		(7,631)	(3,392)
Non-equity interests		<u>42,791</u>	<u>38,552</u>
		<u>35,160</u>	<u>35,160</u>

The financial statements were approved by the board of directors on 29 September 2004 and signed on its behalf by:



J K Williamson

Director

29 September 2004

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



## Statement of accounting policies

28 February 2004

The principal accounting policies are summarised below. They have all been applied consistently throughout the 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 has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 because it is a wholly owned subsidiary of Thresher Wines Holdings Limited which prepares consolidated financial statements which are publicly available. The company is also, on this basis, exempt from the requirement of FRS 1 to present a cash flow statement.

### **Investments**

Fixed asset investments are shown at cost less provision for impairment.

### **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.

### **Finance costs**

Finance costs of non-equity shares are recognised in the profit and loss account over the term of the instrument at a constant rate on the carrying amount. Where the finance costs for non-equity shares are not equal to the dividends on these instruments, the difference is also accounted for in the profit and loss account as an appropriation of profits.

## Notes to financial statements

28 February 2004

### **1 Auditors' remuneration**

Auditors' remuneration in the period was borne by First Quench Retailing Limited, a subsidiary of the company.

### **2 Staff costs**

With the exception of the directors, the company employed no staff during the period.

### **3 Directors' remuneration and transactions**

The directors received no remuneration for their services to the company.

### **4 Tax on loss on ordinary activities**

There is no charge for UK corporation tax due to the fact the company does not trade.

### **5 Finance cost of preference shares**

FRS 4 "capital instruments" requires the full finance cost of non-equity shares to be shown as appropriated from profits, even if the company does not have sufficient distributable reserves to pay the dividend at that time.

As the company has insufficient distributable reserves to support a dividend on the 11% cumulative preference shares of £1 each, the appropriation, and the interest accrued on the unpaid dividend, has been classified as a finance cost of preference shares and charged to other reserves in accordance with FRS 4.

## Notes to financial statements

28 February 2004

### 6 Fixed asset investments

#### Subsidiary undertakings

	Country of incorporation or principal business address	Principal activity	Holding	%
Thresher Wines Acquisitions Limited*	Great Britain	Holding company	'A' Ordinary and preference share capital	100%
First Quench Retailing Limited	Great Britain	Drinks retailing	Ordinary and preference share capital	100%

\* Held directly by Thresher Wines Group Limited

£'000

#### Cost and net book value

At 1 March 2003 and 28 February 2004

35,159

### 7 Debtors: Amounts falling due within one year

	2004 £'000	2003 £'000
Amounts owed by group undertakings	<u>-</u>	<u>1</u>

# Notes to financial statements (continued)

28 February 2004

## 8 Called up share capital

	2004 £'000	2003 £'000
<i>Authorised</i>		
100,055 ordinary 'A' shares of £0.01 each	1	1
11,045 ordinary 'B' shares of £0.01 each	-	-
35,159,041 11% cumulative redeemable preference shares of £1 each	35,159	35,159
	<u>35,160</u>	<u>35,160</u>
<i>Allotted, called-up and fully-paid</i>		
100,003 (2003 – 100,055) ordinary 'A' shares of £0.01 each	1	1
10,875 (2003 – 10,375) ordinary 'B' shares of £0.01 each	-	-
35,159,041 11% cumulative redeemable preference shares of £1 each	35,159	35,159
	<u>35,160</u>	<u>35,160</u>

Holders of the ordinary 'A' shares have the right to receive notice of and to attend, speak and vote at all general meetings of the company.

Holders of the ordinary 'B' shares have the right to receive notice of and to attend and speak at all general meetings of the company, but have no right to vote.

On each allotment of one B ordinary share (other than an allotment of shares comprised within the existing authorised share capital of the company), one A ordinary share is converted into a deferred share of £0.01. On the acquisition of any B ordinary shares by a holder of A ordinary shares such B ordinary shares are converted into A ordinary shares.

The 11% cumulative redeemable preference shares carry an entitlement to a fixed cumulative cash dividend at the rate of 11p per £1 of fully paid up share capital per annum. Where the shares remain partly paid up, the shares carry an entitlement pro rated according to the amount paid up during the period in respect of which the dividend is paid.

The preference shares may be redeemed at the option of the company for £1, together with a sum equal to all arrears and accruals of dividend on the share, at any time, provided not less than 14 days written notice is given to the holders of the preference shares. No preference share may be redeemed unless it is fully paid.

Holders of the preference shares have the right to receive notice of and to attend and speak at all general meetings of the company, but have no right to vote.

Holders of the preference shares have the right on a winding-up to receive, in priority to any other classes of shares, the sum of £1 per share together with any arrears of dividend.

# Notes to financial statements (continued)

28 February 2004

## 9 Reserves

	Other reserves £'000	Profit and loss account £'000
At 1 March 2003	3,393	(3,393)
Retained loss for the period	-	(4,239)
Finance cost of non-equity shares (note 5)	4,239	-
At 28 February 2004	<u>7,632</u>	<u>(7,632)</u>

## 10 Reconciliation of movements in shareholders' funds

	£'000
Loss for the period	(4,239)
Finance cost of non-equity shares transferred to other reserve	4,239
Net increase in shareholders' funds	-
Opening shareholders' funds	35,160
Closing shareholders' funds	<u>35,160</u>

## Notes to financial statements (continued)

28 February 2004

### **11 Related party transactions**

As a wholly owned subsidiary undertaking of Thresher Wines Holdings Limited, in accordance with FRS 8 "Related party disclosures", the company is not required to disclose transactions with other member of the group.

### **12 Contingent liabilities**

Two subsidiaries of the company, First Quench Retailing Limited and Thresher Wines Acquisitions have guaranteed certain borrowings facilities of other subsidiaries of the Thresher Wines Holdings Limited plc, totalling £183.7 million (2003 – £171.5 million). The aggregate amount outstanding under these arrangements at the balance sheet date was £144,104,000 (2003 – £139,830,000).

### **13 Ultimate controlling party**

The immediate parent of the company is Thresher Wines Holdings Limited, a company incorporated in Great Britain and registered in England and Wales.

The directors regard Terra Firma Capital Partners Holdings Limited, a company incorporated in Guernsey, as the ultimate controlling party and the ultimate parent entity.

Thresher Wines Holdings Limited is the parent company of the largest and smallest group of which the company is a member and for which group financial statements are drawn up. Copies of the financial statements are available from Carmelite, 50 Victoria Embankment, Blackfriars, London, EC4Y 0DX.