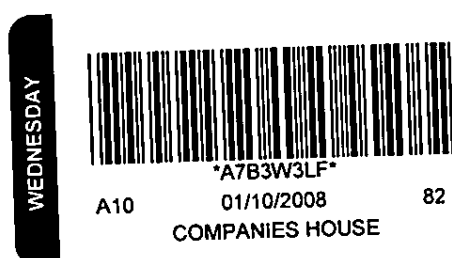


Caspian Holdco Limited
Annual report and financial statements
Year ended 30 June 2008

Registered Number: 05642422



Directors' report for the year ended 30 June 2008

The directors present their report and the audited financial statements of the company for the year ended 30 June 2008

Principal activities

Caspian Holdco Limited is a wholly owned subsidiary of Caspian Topco Limited. Caspian Topco Limited and its subsidiaries are defined as the "Group"

The Group operates 56 bars under the Revolution Vodka Bar brand. Revolution is a series of individually designed, accessible style bars located in town and city centres, principally for the 18-35 year-old market. Revolution specialises in ways to enjoy vodka and the Group's expertise means it has an unparalleled range of cocktails, premium vodkas and vodka shots. In particular, the vodka shots are prepared at the Group's dedicated facility in East Manchester to the Group's own recipes and represent the largest range of flavoured and infused vodkas in the UK.

During the year, the Group opened six bars, at Cambridge, the City of London, Richmond, Southampton, Cardiff, and Wigan. This continues the previous strategy for an expansion of the Revolution estate. A sale and leaseback of nine freehold properties was completed in the year, generating disposal proceeds of £17.1m and a profit on disposal of £9.4m. Whilst the pipeline for future openings appears satisfactory, the Board considers the availability of suitable premises to be the principal risk.

The KPI's for the group are like-for-like sales, gross margin and EBITDA.

The principal activity of the company is as an investment holding company.

Results and dividends

The loss after taxation and the retained loss for the year ended 30 June 2008 were £4,003,000 (2007: £3,492,000). No dividend can be paid. The retained loss has been transferred to reserves.

Directors

The directors who held office during the year are given below:

Martin Keith Bolland (resigned 07/08/2007)

Gavin John Loughrey

Roy Edward Ellis

Sean Martin Curran

Neil Angus Macleod

Directors' report (continued)

Directors indemnity provisions

Certain directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report

Disclosure of information to auditors

The directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 year

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, 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Auditors

A resolution to re-appoint KPMG LLP as auditors of the company will be proposed at the forthcoming Annual General Meeting

By order of the Board



Sean Curran
Secretary
26 September 2008

Registered office
21 Old Street
Ashton-Under-Lyne
OL6 6LA

Independent auditors' report to the members of Caspian Holdco Limited

We have audited the financial statements of Caspian Holdco Limited for the year ended 30 June 2008 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. 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 auditor's 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 UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 2.

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 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 Caspian Holdco Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30th 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

KPMG LLP

KPMG LLP

Chartered Accountants

Registered Auditor

St James' Square

Manchester

M2 6DS

26 September 2008

Caspian Holdco Limited

Profit and loss account

	<i>Note</i>	Year ended 30 June 2008 £'000	Year ended 30 June 2007 £'000
Interest payable and similar charges	2	(4,003)	(3,492)
Retained loss for the financial year	8	(4,003)	(3,492)

All results relate to continuing activities

There are no gains or losses recognised during the year other than the results above and therefore no separate statement of total recognised gains and losses has been presented

There are no material differences between the profit on ordinary activities before taxation and the retained loss for the year stated above and their historical cost equivalents

Caspian Holdco Limited

Balance sheet as at 30 June 2008

	<i>Note</i>	2008 £'000	2007 £'000
Fixed assets			
Investments	4	1,670	1,670
		1,670	1,670
Current assets			
Debtors	5	26,871	26,871
		26,871	26,871
Creditors: amounts falling due within one year		-	-
Net current assets		26,871	26,871
Total assets less current liabilities		28,541	28,541
Creditors: amounts falling due after more than one year	6	(35,853)	(31,850)
Net liabilities		(7,312)	(3,309)
Capital and reserves			
Called-up share capital	7	1,670	1,670
Profit and loss account	8	(8,982)	(4,979)
Equity shareholders' deficit	9	(7,312)	(3,309)

The financial statements on pages 5 to 10 were approved by the board of directors on 26 September 2008 and were signed on its behalf by



S Curran
Director

Caspian Holdco Limited

Notes to the financial statements

1 Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis in accordance with the Companies Act 1985 and applicable accounting standards using the historical cost convention. The accounts have been prepared on the going concern basis on the grounds that Caspian Topco Limited has confirmed to the directors that its present intention is to provide financial support to enable the company to continue its operations and to meet its financial obligations. The principal accounting policies, which have been applied consistently, are set out below.

The Company is exempt by virtue of s228 of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

FRS 18 'Accounting Policies'

The directors have continued to review the company's accounting policies in accordance with this standard. After careful consideration the directors are satisfied that the current accounting policies are the most appropriate for the company.

Cash flow statement

Under FRS 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

Fixed asset investments

In the financial statements of the Company, shares in subsidiaries are stated at cost less provision for any impairment.

Auditors remuneration is settled by another group company.

2 Interest payable and similar charges

	Year ended 30 June 2008	Year ended 30 June 2007
On fixed rate unsecured loan notes	4,003	3,492
	4,003	3,492

Caspian Holdco Limited

3 Tax on loss on ordinary activities

	2008 £'000	2007 £'000
Current tax		
UK corporation tax at 28% (2007 30%)	-	-
	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
	-	-

The tax charge for the year is lower than the standard rate of corporation tax in the UK (28%) The differences are explained as below

	2008 £'000	2007 £'000
Loss on ordinary activities before taxation	4,003	3,492
Tax on loss on ordinary activities at 28% (2007 30%)	1,121	1,048
Effects of		
Gain from other group companies transferred	(1,750)	-
Utilisation of brought forward losses	947	-
Group relief	(97)	-
Expenses not deductible for tax purposes	(221)	(1,048)
Current tax charge for the year	-	-

4 Investments

	2008 £'000	2007 £'000
Investment in subsidiary		
Cost at beginning of year	1,670	1,670
Cost at end of year	1,670	1,670

The investment is in the company's wholly owned subsidiary, Caspian Bidco Limited Caspian Holdco Limited holds all of the ordinary share capital of Caspian Bidco Limited, a company registered in England and Wales whose principal activity is that of an investment holding company

5 Debtors

	2008 £'000	2007 £'000
Amounts falling due within one year		
Amounts owed by other group companies	26,871	26,871
	26,871	26,871

Caspian Holdco Limited

6 Creditors: amounts falling due after more than one year

	2008 £'000	2007 £'000
Fixed rate unsecured Series A loan notes	21,574	21,574
Fixed rate unsecured Series B loan notes	5,297	5,297
Accrued interest	1,770	-
PIK notes	7,212	4,979
	35,853	31,850

The Series A loan notes, the series B loan notes and the PIK notes are subject to interest at 12% per annum compounded every six months at 30 June and 31 December each year. The entitlement to interest may be satisfied by the issue of Payment in Kind ("PIK") notes. The loan notes carry a redemption date of 1 June 2014. Upon redemption, the nominal value of the loan notes is repayable. The loan notes may be redeemed at any date prior to 1 June 2014 by agreement between the company and the loan note holders.

	Accrued interest £'000	PIK notes £'000	Loan notes £'000	Total £'000
Repayable as follows:				
Over five years	1,770	7,212	26,871	35,853
	1,770	7,212	26,871	35,853

7 Called-up share capital

	2008 £'000	2007 £'000
Authorised		
1,700,000 £1 ordinary shares	1,700	1,700
Allotted, called-up and fully paid		
1,669,997 £1 ordinary shares	1,670	1,670

Caspian Holdco Limited

8 Reserves

	2008 £'000
At the beginning of the year	(4,979)
Retained loss for the year	(4,003)
At the end of the year	(8,982)

9 Reconciliation of movement in equity shareholders' funds

	2008 £'000	2007 £'000
Loss for the year	(4,003)	(3,492)
Net decrease in equity shareholders' funds	(4,003)	(3,492)
Equity shareholders' (deficit) / funds brought forward	(3,309)	183
Equity shareholders' deficit carried forward	(7,312)	(3,309)

10 Related party transactions

At the end of the year, £21,574,187 (2007 £21,574,187) of loan notes and £7,211,647 (2007 £3,997,523) of PIK notes were issued to Alchemy Partners Nominees Limited. Caspian Holdco Limited has taken advantage of exemptions within FRS 8, not to disclose transactions with other group companies.

The directors' beneficial interests in the loan notes through the Alchemy Investment Plan Co-investment scheme are set out below.

	Number of loan notes 2008	Number of loan notes 2007
R E Ellis	2,362,814	2,362,814
N A Macleod	2,661,335	2,656,235
S M Curran	159,532	154,432

During the year N A Macleod and S M Curran bought loan notes with nominal value of £5,100 for £6,300.

11 Ultimate parent company

The entire share capital of the company is owned by Caspian Topco Limited, a company incorporated in Great Britain and registered in England and Wales. The Group accounts of Caspian Topco can be obtained from its registered office, 21 Old Street, Ashton-Under-Lyne, OL6 6LA.

69% of the issued share capital of Caspian Topco is held by Alchemy Partners Nominees Limited on behalf of investors in the Alchemy Investment Plan, a collection of limited partnerships, managed by Alchemy Partners (Guernsey) Limited.