

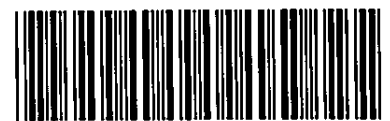
Registered No 6406455

## **This Water Limited**

### **Report and Financial Statements**

31 December 2009

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COMPANIES HOUSE

**Directors**

A R Balon  
R Reed  
J C L Wright  
D Lamont

**Secretary**

A R Balon

**Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

**Bankers**

Bank of Scotland plc  
The Mound  
Edinburgh EH1 1YZ

**Solicitors**

Joelson Wilson & Co  
30 Portland Place  
London W1B 1LZ

**Registered Office**

Fruit Towers  
3 Goldhawk Estate  
Brackenbury Road  
London W6 0BA

## Directors' report

The directors present their report and financial statements for the year ended 31 December 2009

### Results and dividends

The profit for the year after taxation amounted to £1,766,000 (for 15 month period to 31 December 2008 £765,000 loss). The directors do not recommend the payment of a final dividend.

### Principal activity, review of the business and future developments

The principal activity of the company is the manufacture and distribution of drinks and the development of new drinks.

The performance of the company during the year was strong with revenues increasing significantly and the company moving from a loss to generating profit.

This Water's product portfolio has expanded to meet the ongoing demand in the market. New products have launched and This Water entered the On-Trade market in mid 2009. International expansion into continental Europe commenced in 2009.

### Principal risks and uncertainties

*Exposure to credit, liquidity, cash flow, pricing risk and competitive risks*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for that other party by failing to discharge an obligation. This Water's policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. This Water aims to mitigate liquidity risk by managing cash generation by its operations, and also via financing facilities.

Cash flow risk is the risk of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability. This Water manages this risk, where significant, by use of derivatives as explained below.

Pricing risk is the risk that the movement in the price of key materials will adversely affect the profitability of the business. This Water's parent group aims to manage the risk of movement in the price of fruit by the use of forward purchase contracts.

Competitive risks have continued to increase with the introduction of new multinational competitors and independent brands into the juice drinks category.

## Directors' report

### Directors

The directors who served during the period are as listed on page 2

The report and financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies

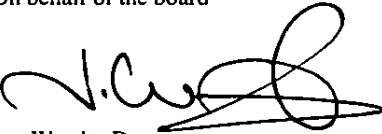
### Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

On behalf of the board

  
Jon Wright, Director

26/3/2010  
Date

## 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). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 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 UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

### Statement on Going Concern

Following the investment from TCCC in Fresh Trading Limited, This Water Limited's parent company, the group has considerable financial resources together with contracts with a number of customers and suppliers across different geographic areas. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook. This Water is profitable in 2009 and has a strong Balance Sheet position.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

## **Independent auditors' report**

to the members of This Water Limited

We have audited the financial statements of This Water Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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**

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **Opinion on the financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2009 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Independent auditors' report

to the members of This Water Limited

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

*Ernst & Young LLP*

Gordon Cullen (Senior Statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

*30/3/2010*

## Profit and loss account

for the year ended 31 December 2009

		2009 £000	15 months ended 31 December £000
	Notes		
<b>Turnover</b>	2	9,739	496
Cost of sales		(5,311)	(241)
<b>Gross profit</b>		4,428	255
Distribution costs		(1,686)	(115)
Administrative expenses		(976)	(905)
<b>Operating profit/ (loss)</b>	3	1,766	(765)
<b>Profit/ (loss) on ordinary activities before taxation</b>		1,766	(765)
Tax on profit/ (loss) on ordinary activities	6	-	-
<b>Profit / (loss) for the period</b>	13	1,766	(765)

All profits and losses arose from continuing activities

## Statement of total recognised gains and losses

for the year ended 31 December 2009

There are no recognised gains or losses other than the profit of £1,766,000 attributable to the shareholders (loss of £765,000 for the 15 month period ended 31 December 2008)

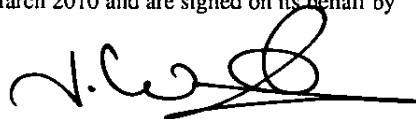


## Balance sheet

as at 31 December 2009

	Notes	2009 £000	2008 £000
<b>Current assets</b>			
Stocks	7	33	18
Debtors	8	2,984	598
Cash at bank and in hand		53	53
		<u>3,070</u>	<u>669</u>
<b>Creditors</b> amounts falling due within one year	9	(735)	(205)
<b>Net current assets</b>		<u>2,335</u>	<u>464</u>
<b>Total assets less current liabilities</b>		2,335	464
<b>Creditors</b> amounts falling due in more than one year	10	(1,333)	(1,228)
<b>Net assets/ (liabilities)</b>		<u>1,002</u>	<u>(764)</u>
<b>Capital and reserves</b>			
Called up share capital	11	1	1
Profit and loss account	13	1,001	(765)
<b>Shareholders' funds</b>	13	<u>1,002</u>	<u>(764)</u>

The financial statements on pages 8 to 16 were approved the Board of Directors and authorised for issue on March 2010 and are signed on its behalf by

  
Jon Wright, Director

Date 26/3/2010

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## Notes to the financial statements

at 31 December 2009

### 1 Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards. The company's results are included in the consolidated financial statements of the ultimate parent undertaking, Fresh Trading Limited.

#### *Statement of cash flows*

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary undertaking of a company producing publicly available group financial statements.

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition as follows:

Raw materials	—	purchase cost on a first-in, first-out basis
Finished goods	—	cost of direct materials, blending costs, and attributable overheads based on a normal level of activity

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

#### *Revenue recognition*

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

##### *Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on receipt of the goods.

##### *Interest income*

Revenue is recognised as interest accrues using the effective interest method.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction, or at the contracted rate if the transaction is covered by a forward foreign currency contract.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date and if appropriate at the forward contract rate.

All differences are taken to the profit and loss account.

## Notes to the financial statements

at 31 December 2009

### 1 Accounting policies (continued)

#### *Share based payments*

The cost of cash-settled transactions is measured at fair value using an appropriate option pricing model. Fair Value is established initially at the grant date and at each balance sheet date thereafter until the awards are settled. During the vesting period a liability is recognised representing the product of the fair value of the award and the portion of the vesting period expired as at the balance sheet date. From the end of the vesting period until settlement, the liability represents the full fair value of the award as at the balance sheet date. Changes in the carrying amount for the liability are recognised in profit or loss for the period.

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is 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 measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### *Other income*

Other income relates to royalty income, which is recognised in the period earned according to the dates of the royalty licence agreement.

### 2 Turnover

Turnover, which is stated net of value added tax, represents the invoiced amounts of goods sold to third parties. Turnover is attributable to the company's continuing principal activity.

An analysis of turnover by geographical market is given below:

	2009 £000	15 months ended 31 December 2008 £000
UK	9,739	496
	<u>9,739</u>	<u>496</u>

### 3 Operating profit/ (loss)

Auditors fees for audit and non-audit services are paid by the parent company, Fresh Trading Limited.

	2009 £000	15 months ended 31 December 2008 £000
Operating profit/ (loss) is stated after charging		
Cash settled share based payment scheme	105	1,228
	<u>105</u>	<u>1,228</u>

## Notes to the financial statements

at 31 December 2009

### 4 Directors' remuneration

	2009 £000	15 months ended 31 December £000
Emoluments	150	35

### 5 Staff costs

	2009 £000	15 months ended 31 December 2008 £000
Wages and salaries	681	87
Social security costs	72	14
Other Pension costs	2	-
	755	101

The average monthly number of employees was as follows

	2009 No	15 months ended 31 December No
Sales and distribution	7	1
Administration	4	-
	11	1

## Notes to the financial statements

at 31 December 2009

### 6 Taxation

(a) Tax on (loss)/profit on ordinary activities

The tax (credit)/charge is made up as follows

	2009 £000	15 months ended 31 December 2008 £000
Current tax		
UK corporation tax	-	-
Total current tax (note 6(b))	-	-
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax (credit)/charge for the period	-	-

(b) Factors affecting current tax (credit)/charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 28% (2008 28.8%). The differences are explained below

	2009 £000	2008 £000
Profit/(loss) on ordinary activities before taxation	1,766	(765)
Profit/ (loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 28% (2008 28.8%)	494	(220)
Effects of		
Non-deductible expenses	-	350
enhanced relief for R&D expenditure	(17)	-
Group tax relief received for nil payment	(477)	(130)
Current tax for the period (note 6(a))	-	-

## Notes to the financial statements

as at 31 December 2009

<b>7 Stocks</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	33	18
	<u>33</u>	<u>18</u>
	<u>33</u>	<u>18</u>
<b>8 Debtors</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Prepayments	14	16
Amounts owed from group undertakings	2,815	582
Other taxes and social security costs	155	-
	<u>2,984</u>	<u>598</u>
	<u>2,984</u>	<u>598</u>
<b>9 Creditors' amounts falling due within one year</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Trade creditors	605	151
Other taxes and social security costs	38	54
Accruals and deferred income	92	-
	<u>735</u>	<u>205</u>
	<u>735</u>	<u>205</u>
<b>10 Creditors' amounts falling due in more than one year</b>	<b>2009</b>	<b>2008</b>
	<b>£000</b>	<b>£000</b>
Long term bonus scheme	1,333	1,228
	<u>1,333</u>	<u>1,228</u>
	<u>1,333</u>	<u>1,228</u>

## Notes to the financial statements

as at 31 December 2009

### 11 Issued share capital

	2009	2009	2008	2008
<i>Allotted, called up and fully paid</i>	<i>£</i>	<i>No</i>	<i>£</i>	<i>No</i>
A Ordinary Shares of £0.01 each	975	97,500	975	97,500
B Ordinary Shares of £0.01 each	25	2,500	25	2,500

On 23 October 2007, upon the incorporation of the company, 1 fully paid Ordinary Share with a nominal value of £0.01 was issued to Fresh Trading Limited

On 31 January 2008, a further 97,499 Ordinary Shares were allotted to Fresh Trading Limited in exchange for the transfer of Intellectual Property Rights owned by Fresh Trading Limited to the company. The Intellectual Property Rights were valued at £40,00 per share.

On 11 September 2008

97,500 of the issued Ordinary Shares were converted into fully paid 'A' Ordinary Shares at the rate of 1 'A' Ordinary Share for every 1 Ordinary Share held,

2,500 of the unissued Ordinary Shares were converted into 2,500 'B' Ordinary Shares of £0.01 each,

2,500 'B' Ordinary Shares were issued for deferred consideration pertaining to share premium of £55.99 per share, subject to future call by the company. The nominal value of £0.01 per share was paid in full. The 'B' Ordinary shares are redeemable at the option of the shareholder or the company in accordance with the respective terms and conditions set out in the Articles of Association. 'B' Ordinary shares acquired by employees or officers of the company are subject to a dividend restriction period and a voting restriction period as set out in the Articles of Association. The earliest and latest redemption dates of the 'B' Ordinary shares are determined by the occurrence of certain events, including the date that the company is sold, the date of a listing, the date of disposal, in the event of a Parent Company sale or if the 'B' Shareholder becomes a leaver of the company.

## Notes to the financial statements

as at 31 December 2009

### 12 Share-based payments

Share based payment equity instruments relate to redeemable 'B' Ordinary shares which are accounted for as cash-settled share based payments due to the terms and conditions surrounding their redemption

Due to the varied terms of redemption, the B Shares carry no fixed vesting or exercise period. The earliest and latest redemption dates of the 'B' Ordinary shares are determined by the occurrence of certain events, including the date that the company is sold, the date of a listing, the date of disposal, in the event of a Parent Company sale or if the 'B' Shareholder becomes a leaver of the company.

The fair value of the share based payment liability is calculated based on the most likely redemption case, which at the year end is considered to be derived from the enterprise value of the entity in which the shares were issued. The charge recognised during the year was £105,000 (2008: £1,228,000) bringing the fair value of the share based payment liability as at 31 December 2009 to £1,333,000 (2008: £1,228,000).

### 13 Reconciliation of shareholders' funds and movements on reserves

	<i>Share capital £000</i>	<i>Profit and loss account £000</i>	<i>Total shareholders' funds £000</i>
At 23 October 2007	-	-	-
Loss for the 15 month period	-	(765)	(765)
Share issue	1	-	1
At 31 December 2008	1	(765)	(764)
Profit for the year	-	1,766	1,766
At 31 December 2009	1	1,001	1,002

### 14 Related party transactions

The company has taken advantage of the exemptions available under FRS 8 not to disclose transactions with group companies where consolidated financial statements are publicly available. No other transactions which require disclosure by FRS 8 took place in the year.

### 15 Ultimate parent undertaking and controlling party

The company is a wholly owned subsidiary undertaking of Fresh Trading Limited. The result of This Water Limited is consolidated in the group financial statements of Fresh Trading Limited, which is the only group of which the company is a member. The consolidated financial statements of Fresh Trading Limited can be obtained from Companies House, Cardiff, CF14 3UZ.