Thresher Wines Group Limited

Annual report and financial statements
for the year ended 30 June 2007

Registered number 4355190

Directors' report

For the year ended 30 June 2007

The directors present their annual report on the affairs of the company, together with the financial statements and auditors' report, for the year ended 30 June 2007

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 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

On 31 May 2007 the share capital in Thresher Wines Holdings Ltd was sold to Co-Investment Acquisition No 1 L P Incorporated, of Hambro House, St Julian's Avenue, St Peter Port, GY1 3ED, Guernsey On 19 July 2007 this interest was sold to T Haig Acquisitions Limited This is a wholly owned subsidiary of T Haig Holdco Limited 75% of T Haig Holdco Limited's share capital is held by Haig Luxembourg Holdco S à r l and 25% by Co-investment Acquisition No 3 LP Incorporated

Results and dividends

The audited financial statements for the year ended 30 June 2007 are set out on pages 6 to 13

The loss for the year after taxation was £1,927,000 (2006 - £5,628,000)

The directors do not recommend the payment of a dividend on the ordinary shares (2006 - £nil) The finance costs of the 11% cumulative preference shares were accrued in the year up to 30 October 2006 On that date, the rights attaching to the preference shares were amended to remove a fixed entitlement to a Preference Dividend on 30 June and 31 December in every year All preference share finance costs accrued as at 30 October 2006 were credited to the profit and loss reserve as a capital contribution

Directors

The directors who served throughout the year were as follows

C P T O'Haire	(Resigned on 31 May 2007)
J K Williamson	(Resigned on 31 May 2007)
H B Ainley	(Appointed on 19 July 2007)
J S Masters	(Appointed on 19 July 2007)
Y Rankin	(Appointed on 5 September 2007)
R Whiteside	(Appointed on 19 July 2007, Resigned on 4 September 2007)
K Gozzett	(Appointed on 31 May 2007, Resigned on 19 July 2007)
D M Thomson	(Appointed on 31 May 2007, Resigned on 19 July 2007)
R B Kendall	(Appointed on 19 July 2007, Resigned on 20 August 2007)

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

Charitable and political contributions

During the year, the company made no charitable donations or political donations (2006 year - £nil)

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

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

Carmelite
50 Victoria Embankment
Blackfriars
London
EC4Y 0DX

By order of the Board,

9th November 2007 H B Ainley Director

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 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, 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 year ended 30 June 2007 which comprise the profit and loss account, the balance sheet, the statement of accounting policies and the related notes 1 to 14 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 law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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 or material inconsistencies with the financial statements

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 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

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 30 June 2007 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

Deloitte & Touche LLP

Deloitte & Touche LLP
Chartered Accountants and Registered Auditors

London, England
9 November 2007

Profit and loss account

For the year ended 30 June 2007

	Notes	Year to 30 June 2007 £'000	Year to 1 July 2006 £'000
Operating loss		-	-
Finance cost of non-equity shares	5	(1,927)	(5,628)
Loss on ordinary activities before and after taxation	10	(1,927)	(5,628)

The accompanying notes are an integral part of this profit and loss account

The loss is 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
30 June 2007

	Notes	30 June 2007 £'000	1 July 2006 £'000
Fixed assets			
Investments	6	-	-
Current assets			
Cash at bank and in hand		1	1
Creditors Amounts falling due within one year	7	-	(19,856)
Net current liabilities		-	(19,855)
Total assets less current liabilities		-	(19,855)
Creditors Amounts falling due after more than one year	8	-	(35,159)
Net assets/(liabilities)		1	(55,014)
Capital and reserves			
Called up equity share capital	9	35,160	1
Profit and loss account	10	(35,159)	(55,015)
Shareholders' funds/(deficit)	11	1	(55,014)

The financial statements on pages 6 to 13 were approved by the board of directors and signed on its behalf by.

H B Ainley Director

9th November 2007

The accompanying notes are an integral part of this balance sheet

Statement of accounting policies

30 June 2007

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

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 has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 228 of the Companies Act 1985 The results of the company and its subsidiary undertakings have been included in the consolidated results of Thresher Wine Holdings Limited, a company incorporated in Great Britain, the financial statements of which are publicly available The company is also, on this basis, exempt from the requirement of FRS 1 (revised) 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 were recognised in the profit and loss account over the term of the instrument at a constant rate on the carrying amount On 30 October 2006, the rights attaching to the preference shares were amended to remove a fixed entitlement to a Preference Dividend on 30 June and 31 December in every year (note 9)

1 Auditors' remuneration

Auditors' remuneration of £5,000 (2006 - £5,000) 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 current or prior year

3 Directors' remuneration and transactions

The directors received no remuneration for their services to the company in either the current or prior year

4 Tax on loss on ordinary activities

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

The tax charge comprises

	Year to 30 June 2007 £'000	Year to 1 July 2006 £'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 30 June 2007 £'000	Year to 1 July 2006 £'000
Loss on ordinary activities before tax	(1,927)	(5,628)
Tax on loss on ordinary activities at standard UK corporation tax rate of 30% (2006 30%)	(578)	(1,688)
Effects of		
Expenses not deductible for tax purposes	578	1,688
Current tax for the year	-	-

5 Finance cost of preference shares

On 30 October 2006, the rights attaching to the preference shares were amended to remove a fixed entitlement to a Preference Dividend on 30 June and 31 December in every year The preferred participation (including amounts unpaid from previous years) is now payable at the discretion of the directors of the company or upon liquidating the company Finance costs in respect of the preference shares have been accrued up to 30 October 2006 All preference share finance costs accrued at 30 October 2006 were credited to the profit and loss reserve as a capital contribution (note 10)

6 Fixed asset investments

Subsidiary undertakings

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

** Held directly by Thresher Wines Group Limited*

	£'000
Cost	
At 30 June 2007 and 1 July 2006	35,159

	£'000
Impairment	
At 30 June 2007 and 1 July 2006	(35,159)

	£'000
Net Book Value	
At 30 June 2007 and 1 July 2006	-

7 Creditors Amounts falling due within one year

	30 June 2007 £'000	1 July 2006 £'000
Finance cost of non-equity share capital	-	19,856

8 Creditors Amounts falling due after more than one year

	30 June 2007 £'000	1 July 2006 £'000
Non-equity share capital	-	35,159

Further details of the non-equity share capital are shown within note 9

9 Called up share capital

	30 June 2007 £'000	1 July 2006 £'000
Equity Shares	£'000	£'000
Authorised, Allotted, called-up and fully-paid		
100,003 ordinary 'A' shares of £0 01 each	1	1
11,097 ordinary 'B' shares of £0 01 each	-	-
35,159,041 preference shares of £1 each	35,159	-
	35,160	1
Non-Equity Shares		
Authorised, Allotted, called-up and fully-paid		
35,159,041 11% cumulative redeemable preference shares of £1 each	-	35,159

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 30 October 2006, the rights attaching to the preference shares were amended to remove a fixed entitlement to a Preference Dividend on 30 June and 31 December in every year, but the priority between the Preference Shares and the Ordinary shares in the capital of the company was preserved The preferred participation (including amounts

9 Called up share capital (continued)

unpaid from previous years) is payable at the discretion of the directors of the company or upon liquidating the company On 30 October 2006, the preference shares also ceased to be redeemable All other rights remain unchanged

The preference shares' preferred return is 11% per annum of the nominal amounts paid up and compounds on 30 June and 31 December each year 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 the preferred participation No dividend or other distribution shall be declared on the Ordinary Shares unless or until the company shall have paid to the holders of the Preference Shares the aggregate preferred participation of all of the Preference Shares

The impact of this change is that under FRS 25 these preference shares become classified as equity, rather than as liabilities Similarly, finance costs in respect of these preference shares no longer need to be accrued Amounts previously accrued have been credited to the profit and loss reserve as a capital contribution At 30 June 2007, the preferred return of the preference shares not accrued totalled £25,515,000

Other than the above the 'A' and 'B' ordinary shares rank equally in all respects

10 Reserves

	Profit and loss account £'000
At 1 July 2006	(55,015)
Retained loss for the year	(1,927)
Capital contribution – finance costs (note 9)	21,783
At 30 June 2007	(35,159)

11 Reconciliation of movements in shareholders' funds/(deficit)

	Year to 30 June 2007 £'000	Year 1 July 2006 £'000
Loss for the year	(1,927)	(5,628)
Capital contribution – finance costs (note 9)	21,783	-
Reclassification of preference shares (note 9)	35,159	-
Opening shareholders' deficit	(55,014)	(49,386)

Closing shareholders' funds/(deficit)	1	(55,014)

12 Related party transactions

In accordance with FRS 8 "Related party disclosures", the company is not required to disclose transactions with other members of the group

13 Ultimate controlling party

As at 30 June 2007 the immediate parent of the company was Co-Investment Acquisition No 1 L P Incorporated, of Hambro House, St Julian's Avenue, St Peter Port, GY1 3ED, Guernsey

As at 30 June 2007 the ultimate controlling party was Pension Corporation Investments LP Incorporated (PCI), a Guernsey limited partnership

As at 30 June 2007 Thresher Wines Holdings Limited was 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

Copies of the financial statements are available from Carmelite, 50 Victoria Embankment, Blackfriars, London, EC4Y 0DX

14 Post balance sheet events

As a result of the change in ownership on 19 July 2007 the immediate parent of Thresher Wines Holdings Limited is T Haig Acquisitions Limited of 54 Jermyn Street London SW1Y 6LX, a private company incorporated in England and Wales

T Haig Acquisitions Limited is a wholly owned subsidiary of T Haig Holdco Limited 75% of T Haig Holdco Limited's share capital is held by Haig Luxembourg Holdco S à r l and 25% by Co-investment Acquisition No 3 LP Incorporated

From 19 July 2007 T Haig Holdco 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 prepared