

Registration number 2661275

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Directors' Report and Financial Statements

for the Year Ended 30 June 2012

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Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Contents

Directors' Report	1 to 2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 to 13

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Directors' Report for the Year Ended 30 June 2012

The directors present their report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 30 June 2012

Change in Company name

On 12 March 2012, the company changed its name from Accolade Wines Europe No 5 Limited to Accolade Wines UK Limited

Principal activity

The company has not traded throughout the current year and preceding period

During the year the company made a capital contribution of £2,210,000 in its subsidiary Accolade Wines Europe No 6 Limited ("AWE6") AWE6 utilised this to repay £8,801,000 owed to the company, funding the remaining amount with a £6,591,000 receivable from another group company which it transferred via assignment to the company

£2,210,000 of the £8,801,000 owed to the company was provided for in the company's accounts and therefore on repayment the provision against the debtor was reversed resulting in a gain AWE6 now had net assets of £Nil and therefore the company's investment was fully impaired

Business review

The directors do not recommend the payment of a dividend (5 month period ended 30 June 2011 £0)

Directors of the company

The directors who held office during the year were as follows

T Christensen

J Lousada (resigned 5 September 2012)

GS Brockett (appointed 9 March 2012)

JA Stevenson (appointed 9 March 2012)

Statement of disclosure to auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information The directors confirm that there is no relevant information that they know of and which they know the auditor is unaware of

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Directors' Report for the Year Ended 30 June 2012

..... continued

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office

Approved by the Board on ~~24 Oct 2012~~ and signed on its behalf by



JA Stevenson
Director

The Guildway
Old Portsmouth Road
Artington
Guildford
Surrey
GU3 1LR

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Statement of Directors' Responsibilities

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 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 these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting 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 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.

**Independent Auditor's Report to the Members of
Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)**

We have audited the financial statements of Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited) for the year ended 30 June 2012, set out on pages 6 to 13. 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 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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), 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 and express an opinion on 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/private.cfm.

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 30 June 2012 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.

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.

**Independent Auditor's Report to the Members of
Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)**

..... continued

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

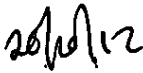


AC Campbell-Orde (Senior Statutory Auditor)

For and on behalf of KPMG LLP, Statutory Auditor

100 Temple Street
Bristol
BS1 6AG

Date



Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)
Profit and Loss Account for the Year Ended 30 June 2012

	Note	Year ended 30 June 2012 £ 000	1 February 2011 to 30 June 2011 £ 000
Other operating income		2,210	-
Operating profit	2	2,210	-
Income from shares in group undertakings		14	-
Amounts written off investments		(2,210)	-
Profit on ordinary activities before taxation		14	-
Tax on profit on ordinary activities	6	-	-
Profit for the financial year / period	11	14	-

All of the activities of the company are derived from continuing operations

The company has no recognised gains or losses for the current year or prior period other than the results above

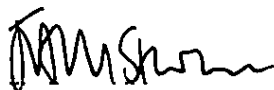
Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

(Registration number: 2661275)

Balance Sheet at 30 June 2012

	Note	30 June 2012 £ 000	30 June 2011 £ 000
Fixed assets			
Investments	7	-	-
		-	-
Current assets			
Debtors	8	159,047	165,624
		159,047	165,624
Total assets less current liabilities		159,047	165,624
Creditors Amounts falling due after more than one year	9	(115,406)	(121,997)
Net assets		43,641	43,627
Capital and reserves			
Called up share capital	10	38,750	38,750
Share premium account	11	5,089	5,089
Profit and loss account	11	(198)	(212)
Shareholders' funds	12	43,641	43,627

Approved by the Board on 24 Oct 2012 and signed on its behalf by



JA Stevenson
Director

The notes on pages 8 to 13 form an integral part of these financial statements

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Notes to the Financial Statements for the Year Ended 30 June 2012

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

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

The Company is a non-trading holding company. As a consequence, the directors believe that business risk is low, and that the company is well placed to manage this risk successfully despite the current uncertain economic outlook. During the year, the Company became party to a cross-guarantee over the borrowings of Accolade Wines Australia (as described in note 13). In their going concern assessment, the directors have considered the ability of both the Company and Accolade Wines Australia to continue as a going concern and have no reason to believe that conditions exist such that the cross guarantee will be called upon. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Accolade Wines Holdings Europe Limited. These financial statements present information about the company as an individual undertaking and not about its group.

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

The company has also taken advantage of the exemption provided by FRS 8 whereby disclosure is not required in the financial statements of subsidiary undertakings, 100 per cent of whose voting rights are controlled in the group, with entities that are part of the group or investees of the group qualifying as related parties.

Fixed asset investments

Investments in subsidiaries are measured at cost less any provision for impairment.

The carrying amounts of the company's investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an investment exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

The recoverable amount of investments is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised on all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less tax have occurred at the balance date. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates enacted at the balance sheet date.

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Notes to the Financial Statements for the Year Ended 30 June 2012

..... *continued*

2 Operating profit

Operating profit is stated after charging

	Year ended 30 June 2012 £ 000	1 February 2011 to 30 June 2011 £ 000
Reversal of provision against intercompany balances	<u>2,210,000</u>	<u>-</u>

3 Auditor's remuneration

	Year ended 30 June 2012 £ 000	1 February 2011 to 30 June 2011 £ 000
Auditor's remuneration - The audit of the company's annual accounts	<u>10</u>	<u>-</u>

The audit fee for the current year was borne by a fellow group company

4 Directors remuneration

Directors remuneration for the current year and prior period were borne by a subsidiary of the controlling party

5 Particulars of employees

There were no employees or staff costs during the current year or prior period

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Notes to the Financial Statements for the Year Ended 30 June 2012

..... *continued*

6 Taxation

Tax on profit on ordinary activities

	Year ended 30 June 2012 £ 000	1 February 2011 to 30 June 2011 £ 000
Current tax		
UK Corporation tax	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - the same as) the standard rate of corporation tax in the UK of 25.5% (2011 - 26.8%)

The differences are reconciled below

	Year ended 30 June 2012 £ 000	1 February 2011 to 30 June 2011 £ 000
Profit on ordinary activities before taxation	<u>14</u>	<u>-</u>
Corporation tax at standard rate	4	-
Non taxable income	<u>(4)</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

On 21 March 2012 the Chancellor announced a reduction in the main rate of UK corporation tax to 24% with effect from 1 April 2012. This change became substantively enacted on 26 March 2012.

On 21 March 2012, the Chancellor announced a further reduction in the main rate of UK corporation tax to 23% with effect from 1 April 2013. This change became substantively enacted on 3 July 2012.

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

7 Investments held as fixed assets

Shares in group undertakings and participating interests

	Subsidiary undertakings £ 000	Total £ 000
Cost		
At 1 July 2011	-	-
Additions	<u>2,210</u>	<u>2,210</u>
At 30 June 2012	<u>2,210</u>	<u>2,210</u>
Provision for impairment		
At 1 July 2011	-	-
Charge for the year	<u>2,210</u>	<u>2,210</u>
At 30 June 2012	<u>2,210</u>	<u>2,210</u>
Net book value		
At 30 June 2012	<u>-</u>	<u>-</u>
At 30 June 2011	<u>-</u>	<u>-</u>

During the year, the company made an investment in its subsidiary, Accolade Wines Europe No 6 Limited, as part of reorganisation of group intercompany balances. The investment was subsequently written off during the year.

8 Debtors

	30 June 2012 £ 000	30 June 2011 £ 000
Amounts owed by group undertakings	<u>159,047</u>	<u>165,624</u>

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Notes to the Financial Statements for the Year Ended 30 June 2012

..... *continued*

9 Creditors. Amounts falling due after more than one year

	30 June 2012	30 June 2011
	£ 000	£ 000
Amounts owed to group undertakings	<u>115,406</u>	<u>121,997</u>

10 Share capital

Allotted, called up and fully paid shares

	30 June 2012		30 June 2011	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £0.01 each	<u>3,875,000</u>	<u>38,750</u>	<u>3,875,000</u>	<u>38,750</u>

11 Reserves

	Share premium account £ 000	Profit and loss account £ 000	Total £ 000
At 1 July 2011	5,089	(212)	4,877
Profit for the financial year	<u>-</u>	<u>14</u>	<u>14</u>
At 30 June 2012	<u>5,089</u>	<u>(198)</u>	<u>4,891</u>

12 Reconciliation of movement in shareholders' funds

	Year ended 30 June 2012 £ 000	1 February 2011 to 30 June 2011 £ 000
Profit for the financial year/period	<u>14</u>	<u>-</u>
Net addition to shareholders' funds	<u>14</u>	<u>-</u>
Shareholders' funds at start of period	<u>43,627</u>	<u>43,627</u>
Shareholders' funds at end of period	<u>43,641</u>	<u>43,627</u>

Accolade Wines UK Limited (formerly Accolade Wines Europe No. 5 Limited)

Notes to the Financial Statements for the Year Ended 30 June 2012

..... continued

13 Contingent liabilities

The company has a cross guarantee with its associated group Accolade Wines Australia in relation to that group's debt funding. The directors have no reason to believe that this cross guarantee will be called upon and thus it remains a contingent liability.

14 Ultimate controlling party

The company is controlled by Accolade Wines Holdings Europe Limited (incorporated in the United Kingdom). Accolade Wines Holdings Europe Limited is 80.1% owned by funds managed or advised by CHAMP III Management Pty, which is the ultimate controlling party. The remaining shareholding is owned by Constellation Brands Inc.

The largest and smallest group in which they are consolidated is that headed by Accolade Wines Holdings Europe Limited. The consolidated financial statements of this group are available to the public, and may be obtained from Accolade House, The Guildway, Old Portsmouth Road, Artington, Guildford, GU3 1LR.