



**ANDERSEN**

**The Gaymer Group Europe Limited**

Annual report and financial statements  
for the year ended 28 February 2002

Registered number: 2661275



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## Directors' report

For the year ended 28 February 2002

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 2002.

### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 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, 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 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Principal activity

The principal activity of the company is to hold investments in subsidiary undertakings.

### Results and dividends

The profit for the year was £4,782,000 (2001 – loss of £4,865,000). The directors do not recommend payment of a dividend (2001 – £13,200,000).

### Directors and their interests

The directors who served during the year were as follows:

A T Colquhoun	
N I Hodges	(appointed 22 March 2001)
H C Etheridge	(resigned 22 March 2001)
P Aikens	(resigned 30 April 2002)

The directors held no interest in the company during the year that required disclosure under Schedule 7 of the Companies Act 1985.

## Director's report (continued)

### Auditors

Arthur Andersen will not be seeking reappointment for the forthcoming year. A resolution to appoint a successor will be put before the Annual General Meeting.

Whitchurch Lane  
Bristol  
BS14 0JZ

By order of the Board,



A T Colquhoun  
Secretary

31 July 2002



**To the shareholders of The Gaymer Group Europe Limited:**

We have audited the financial statements of The Gaymer Group Europe Limited for the year ended 28 February 2002 which comprise the Profit and loss account, Balance sheet and the related notes numbered 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Directors' report. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom 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 to you 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 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 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 circumstances of the company, 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 2002 and of the company's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

1 The Square  
Temple Quay  
Bristol  
BS1 6DG

31 July 2002

## Profit and loss account

For the year ended 28 February 2002

	Notes	2002 £'000	2001 £'000
Interest receivable and similar income	2	6,930	6,950
<b>Profit on ordinary activities before taxation</b>	3	6,930	6,950
Tax on profit on ordinary activities	5	(2,148)	(2,085)
<b>Profit on ordinary activities after taxation, being the retained profit for the year</b>		4,782	4,865
Equity dividends paid	6	-	(13,200)
<b>Retained profit/(loss) for the financial year</b>		4,782	(8,335)

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

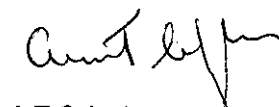
There were no recognised gains or losses other than the profit or loss for each financial year.

# Balance sheet

28 February 2002

	Notes	2002 £'000	2001 £'000
<b>Current assets</b>			
Debtors	8	159,414	152,483
<b>Creditors: Amounts falling due within one year</b>	9	(110,766)	(108,617)
<b>Net current assets</b>		<u>48,646</u>	<u>43,866</u>
<b>Net assets</b>		<u>48,646</u>	<u>43,866</u>
<b>Capital and reserves</b>			
Called-up share capital	10	38,750	38,750
Share premium account	11	5,089	5,089
Profit and loss account	12	4,809	27
<b>Equity shareholders' funds</b>	13	<u>48,648</u>	<u>43,866</u>

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



A T Colquhoun  
Director

31 July 2002

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

## Notes to the financial statements

For the year ended 31 December 2002

### 1 Accounting policies

The principle accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year with the exception of the policy on deferred tax which has been changed to comply with FRS 19. No prior year adjustment was required in relation to this change.

#### a) *Basis of accounting*

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

As the company is included within the consolidated financial statements of Canandaigua Limited, a company registered in England and Wales, it is exempt from the requirement to prepare consolidated financial statements under Section 228 (1) of the Companies Act.

#### b) *Investments*

Investments in subsidiary undertakings are stated at cost less provisions for any impairment.

#### c) *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 tax is recognised in respect of 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 tax in future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as 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 not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

#### d) *Cash flow statement*

Under Financial Reporting Standard 1 (Revised) Cash Flow Statements, a cash flow statement has not been prepared as the company is a wholly owned subsidiary undertaking.



## Notes to the financial statements (continued)

### 1 Accounting policies (continued)

#### e) *Related party transactions*

As the company is a wholly owned subsidiary of Constellation Brands Inc, incorporated in the United States of America, the company has taken advantage of the exemption contained in Financial Reporting Standard No 8, Related Party Disclosures, and has therefore not disclosed transactions or balances with other group entities.

### 2 Interest receivable and similar income

	2002 £'000	2001 £'000
Receivable from group undertakings	<u>6,930</u>	<u>6,950</u>

### 3 Profit on ordinary activities before taxation

No auditors' remuneration is charged in arriving at the profit on ordinary activities before taxation. The audit fee is borne by the ultimate parent company.

### 4 Remuneration of directors

No director received any emoluments in respect of their service to the company (2001 - £nil).

### 5 Tax on profit on ordinary activities

The tax charge comprises:

	2002 £'000	2001 £'000
<b>Current tax</b>		
UK corporation tax	<u>2,148</u>	<u>2,085</u>
<b>Total current tax, being total tax on profit on ordinary activities</b>	<u>2,148</u>	<u>2,085</u>

## Notes to the financial statements (continued)

### 5 Tax on profit on ordinary activities (continued)

The differences between the total current tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2002 £'000	2001 £'000
<b>Profit on ordinary activities before tax</b>	<u>6,930</u>	<u>6,950</u>
Tax on profit on ordinary activities at standard UK corporation Tax rate of 30% (2001 - 30%)	2,079	2,085
Effects of:		
Expenses not deductible for tax purposes	<u>69</u>	<u>-</u>
<b>Current tax charge for period</b>	<u>2,148</u>	<u>2,085</u>

### 6 Dividends paid

	2002 £'000	2001 £'000
<i>Equity shares</i>		
- final proposed of £nil (20YY - 0.34p) per ordinary share	<u>-</u>	<u>13,200</u>

### 7 Fixed asset investments

The company's fixed asset investment relates to investment in the following subsidiaries:

	Country of registration or incorporation	Principal activity	Class of shares held	Percentage of shares held in company
The Gaymer Group Overseas Holdings Limited	England and Wales	Holding company	Ordinary	100%

In addition, the company owns 100% of the ordinary share capital of 23 dormant companies, registered in England and Wales. A full list of the company's subsidiaries will be submitted with the company's annual return.

### 8 Debtors

	2002 £'000	2001 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	<u>159,414</u>	<u>152,483</u>

# Notes to the financial statements (continued)

## 9 Creditors: Amounts falling due within one year

	2002 £'000	2001 £'000
UK corporation tax	6,145	3,907
Amounts owed to group undertaking	104,621	104,710
	<u>110,766</u>	<u>108,617</u>

## 10 Called up share capital

	2002 £'000	2001 £'000
<i>Authorised</i>		
3,875,200,000 1p ordinary shares	38,752	38,752
1,600,000 cumulative convertible participating 'A' preferred ordinary shares of 1p each	16	16
1,600,000 cumulative convertible participating 'B' preferred ordinary shares of 1p each	16	16
	<u>38,784</u>	<u>38,784</u>
<i>Allotted, called-up and fully paid</i>		
3,875,000,000 1p ordinary shares	<u>38,750</u>	<u>38,750</u>

## 11 Share premium account

	£'000
At beginning and end of year	<u>5,089</u>

## 12 Profit and loss account

	£'000
At beginning of the year	27
Profit for the year	<u>4,782</u>
At end of the year	<u>4,809</u>

## Notes to the financial statements (continued)

### 13 Reconciliation of movement in equity shareholders' funds

	Equity shareholders' funds £'000
At beginning of the year	43,866
Retained profit for the year	4,782
At end of the year	<u>48,648</u>

### 14 Ultimate parent undertaking

The company is a subsidiary undertaking of Canandaigua Limited, a company registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by the ultimate parent company, Canandaigua Limited. The consolidated financial statements of the group may be obtained from Companies House or the company secretary of Canandaigua Limited at Whitchurch Lane, Bristol, BS14 0JZ.

The largest group in which the results of the company are consolidated is headed by the ultimate parent company, Constellation Brands Inc, which is registered in the United States of America. The consolidated financial statements are available to the public and may be obtained by writing to Investor Relations, Constellation Brands Inc, 300 Willowbrook Office Park, Fairport, New York, 14450, USA.