

# The Gaymer Group Europe Limited

Accounts 28 February 1999

together with directors' and auditors' reports

Registered number: 2661275



## Directors' report

For the period ended 28 February 1999

The directors present their report on the affairs of the company, together with the accounts and auditors' report, for the period ended 28 February 1999.

### Directors' responsibilities

Company law requires the directors to prepare accounts for each financial period 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 period. In preparing those accounts, 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 accounts; and
- prepare the accounts 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 accounts 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 and business review

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

### Dividend and transfer to reserves

After deducting dividends of £nil (1998 - £4,500,000), the profit for the period was £3,654,240 (1998 - loss of £368,000)

### Directors and their interests

The directors who served during the period were as follows:

P Aikens

H C Etheridge

A T Colquhoun

A T Colquhoun held nil ordinary shares of the parent company Matthew Clark plc at 28 February 1999 (1998 - 1,142) and also held nil options to acquire ordinary shares of Matthew Clark plc at 28 February 1999 (1998 - 51,726).

The interest of P Aikens and H C Etheridge in the ordinary shares and in options to acquire ordinary shares of the parent company and other group companies are disclosed in the directors' report of the parent company.

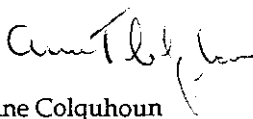
## Director's report (continued)

### Auditors

A resolution to re-appoint Arthur Andersen as auditors will be proposed at the Annual General Meeting.

Whitchurch Lane  
Bristol  
BS14 OJZ

By order of the Board,

  
Anne Colquhoun  
Secretary

20 December 1999

## Auditors' report

Bristol

To the Shareholders of The Gaymer Group Europe Limited:

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

### Basis of opinion

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts 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 accounts 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 accounts.

### Opinion

In our opinion the accounts give a true and fair view of the state of affairs of the company at 28 February 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Arthur Andersen  
Chartered Accountants and Registered Auditors

Broad Quay House  
Broad Quay  
Bristol  
BS1 4DJ

20 December 1999

## Profit and loss account

For the period ended 28 February 1999

	Note	10 months ended 28 February 1999 £'000	Year ended 30 April 1998 £'000
Administrative expenses		-	(703)
Operating loss	2	-	(703)
Other interest receivable and similar income	3	5,296	7,000
Profit on ordinary activities before taxation		5,296	6,297
Tax on profit on ordinary activities	5	(1,642)	(2,165)
Profit on ordinary activities after taxation		3,654	4,132
Dividends paid	6	-	(4,500)
Profit/(loss) transferred to reserves	12	3,654	(368)

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 period.

# Balance sheet

28 February 1999

	Note	28 February 1999 £'000	30 April 1998 £'000
<b>Fixed assets</b>			
Investments	7	-	-
<b>Current assets</b>			
Debtors	8	136,310	132,890
Creditors: Amounts falling due within one year	9	(88,743)	(88,977)
<b>Net current assets</b>		<u>47,567</u>	<u>43,913</u>
<b>Net assets</b>		<u>47,567</u>	<u>43,913</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	<u>3,728</u>	<u>74</u>
<b>Equity shareholders' funds</b>	13	<u>47,567</u>	<u>43,913</u>

Signed on behalf of the Board:



H C Etheridge  
Director

20 December 1999

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

## Notes to accounts

28 February 1999

### 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

#### a) *Basis of accounting*

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

The company is exempt by virtue of s248 of the Companies Act 1985 from the requirement to prepare group accounts. Accordingly these accounts present information about The Gaymer Group Europe Limited as an individual undertaking and not about its group.

#### b) *Investments*

Investments in subsidiary undertakings are stated at cost less provisions for any permanent diminution in value.

#### c) *Taxation*

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax but only to the extent that it is probable that liabilities or assets will crystallise in the future.

#### 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.

#### e) *Related party transactions*

As the company is a wholly owned subsidiary of Matthew Clark plc, incorporated in Great Britain, the company has taken advantage of the exemption contained in Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with other group entities.

### 2 Operating loss

Operating loss is stated after charging:

	10 months ended 28 February 1999 £'000	Year ended 30 April 1998 £'000
Exceptional provision against amounts due by a subsidiary undertaking	-	703

## Notes to accounts (continued)

### 3 Interest receivable and similar income

	10 months ended 28 February 1999 £'000	Year ended 30 April 1998 £'000
Receivable from group undertakings	<u>5,296</u>	<u>7,000</u>

### 4 Remuneration of directors

No director received any emoluments in respect of their service to the company (1998 - £nil).

### 5 Tax on profit on ordinary activities

	10 months ended 28 February 1999 £'000	Year ended 30 April 1998 £'000
Corporation tax at 31%	<u>1,642</u>	<u>2,165</u>

### 6 Dividends

	10 months ended 28 February 1999 £'000	Year ended 30 April 1998 £'000
On ordinary shares of 1p each	<u>-</u>	<u>4,500</u>

### 7 Fixed asset investments

	Country of registration or incorporation	Principal activity	Class of shares held	Percentage of shares held in company
The Gaymer Group Overseas Holdings Limited	England	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.



## Notes to accounts (continued)

### 8 Debtors

	28 February 1999 £'000	30 April 1998 £'000
Amounts falling due within one year	136,091	132,890
Amounts owed by group undertakings	219	-
	<u>136,310</u>	<u>132,890</u>

### 9 Creditors: Amounts falling due within one year

	28 February 1999 £'000	30 April 1998 £'000
Corporation tax	-	234
Amounts owed to group undertaking	88,743	88,743
	<u>88,743</u>	<u>88,977</u>

### 10 Called up share capital

	28 February 1999 £'000	30 April 1998 £'000
<i>Authorised</i>		
3,875,200,000 1p ordinary shares	<u>38,752</u>	<u>38,752</u>
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	<u>16</u>	<u>16</u>
	<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 the period	<u>5,089</u>

## Notes to accounts (continued)

### 12 Profit and loss account

	£'000
At beginning of the period	74
Profit for the period	3,654
At end of the period	<u>3,728</u>

### 13 Reconciliation of movement in shareholders' funds

	Share capital £'000	Share premium account £'000	Profit and loss account £'000	Shareholders' funds £'000
At beginning of the period	38,750	5,089	74	43,913
Retained profit for the period	-	-	3,654	3,654
At end of the period	<u>38,750</u>	<u>5,089</u>	<u>3,728</u>	<u>47,567</u>

### 14 Ultimate parent undertaking

The company is a subsidiary undertaking of Matthew Clark plc, a company registered in England and Wales.

The UK group in which the results of the company are consolidated is that headed by Matthew Clark plc. The consolidated financial statements of the group may be obtained from the Company Secretary of Matthew Clark plc at Whitchurch Lane, Bristol, BS14 0JZ.

The largest group in which the results of the company are consolidated is headed by Canandaigua Brands Inc, which is registered in the United States of America and which acquired the former parent company, Matthew Clark plc with effect from 1 December 1998. The consolidated accounts are available to the public and may be obtained by writing to Investor Relations, Canandaigua Brands Inc, 300 Willowbrook Office Park, Fairport, New York, 14450, USA.

### 15 Prior year comparatives

The prior year comparatives were audited by a firm of chartered accountants other than Arthur Andersen.