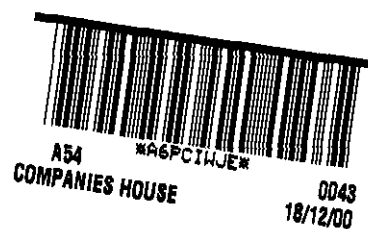


**The Gaymer Group Europe Limited**

Accounts 28 February 2000

together with directors' and auditors' reports

Registered number: 2661275



## Directors' report

For the year ended 28 February 2000

The directors present their annual report on the affairs of the company, together with the accounts and auditors' report, for the year ended 28 February 2000.

### Directors' responsibilities

Company law requires the directors to prepare accounts 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 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

The profit for the period was £4,633,924 (1999 – profit of £3,654,240). The directors do not recommend payment of a dividend.

### Directors and their interests

The directors who served during the year were as follows:

P Aikens

H C Etheridge

A T Colquhoun

None of the directors had any interest in the shares of the company at any time during the year.

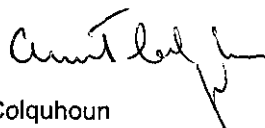
Director's report (continued)

**Auditors**

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

Whitchurch Lane  
Bristol  
BS14 0JZ

By order of the Board,

A handwritten signature in dark ink, appearing to read 'A T Colquhoun', with a stylized flourish at the end.

A T Colquhoun  
Secretary

2000



**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 in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

**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 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Arthur Andersen*

**Arthur Andersen**

**Chartered Accountants and Registered Auditors**

Broad Quay House  
Broad Quay  
Bristol  
BS1 4DJ

*18 Dec* 2000

# Profit and loss account

For the year ended 28 February 2000

	Note	Year ended 28 February 2000 £'000	10 months ended 28 February 1999 £'000
Other interest receivable and similar income	2	6,620	5,296
<b>Profit on ordinary activities before taxation</b>		<b>6,620</b>	<b>5,296</b>
Tax on profit on ordinary activities	4	(1,986)	(1,642)
<b>Profit on ordinary activities after taxation</b>		<b>4,634</b>	<b>3,654</b>

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 2000

	Note	2000 £'000	1999 £'000
<b>Fixed assets</b>			
Investments	5	-	-
<b>Current assets</b>			
Debtors	6	145,608	136,310
<b>Creditors: Amounts falling due within one year</b>	7	(93,407)	(88,743)
<b>Net current assets</b>		52,201	47,567
<b>Net assets</b>		52,201	47,567
<b>Capital and reserves</b>			
Called-up share capital	8	38,750	38,750
Share premium account	9	5,089	5,089
Profit and loss account	10	8,362	3,728
<b>Equity shareholders' funds</b>	11	52,201	47,567

Signed on behalf of the Board:



Director

H C Etheridge

18 Dec 2000

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

## Notes to accounts

28 February 2000

### 1 Accounting policies

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

#### *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 s228(1) 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 impairment.

#### *c) Taxation*

Current tax, including UK corporation tax and foreign 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 using the liability method on all timing differences only to the extent that they are expected to reverse in the future without being replaced, except that the deferred tax effects of timing differences arising from pensions and other post-retirement benefits are always recognised in full.

#### *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 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

	2000 £'000	1999 £'000
Receivable from group undertakings	<u>6,620</u>	<u>5,296</u>

## Notes to accounts (continued)

### 3 Remuneration of directors

No director received any emoluments in respect of their service to the company (1999 - £nil).

### 4 Tax on profit on ordinary activities

	2000 £'000	1999 £'000
UK corporation tax 30% (1999 - 31%)	<u>1,986</u>	<u>1,642</u>

### 5 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.

### 6 Debtors

	2000 £'000	1999 £'000
Amounts falling due within one year		
Amounts owed by group undertakings	145,608	136,091
UK corporation tax receivable	-	219
	<u>145,608</u>	<u>136,310</u>

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

	2000 £'000	1999 £'000
UK corporation tax	1,986	-
Amounts owed to group undertaking	91,421	88,743
	<u>93,407</u>	<u>88,743</u>



Notes to accounts (continued)

**8 Called up share capital**

	2000 £'000	1999 £'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>

**9 Share premium account**

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

**10 Profit and loss account**

	£'000
At beginning of the year	3,728
Profit for the year	<u>4,634</u>
At end of the year	<u>8,362</u>

**11 Reconciliation of movement in equity shareholders' funds**

	Equity shareholders' funds £'000
At beginning of the year	47,567
Retained profit for the year	<u>4,634</u>
At end of the year	<u>52,201</u>

## Notes to accounts (continued)

### **12 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 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 Constellation Brands Inc, which is registered in the United States of America. The consolidated accounts 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.