

REGISTERED NUMBER 00046967 (England and Wales)

REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2010  
FOR  
GONZALEZ, BYASS & CO LIMITED

TUESDAY



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for the Year Ended 31 August 2010**

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**GONZALEZ, BYASS & CO LIMITED**

**COMPANY INFORMATION**  
**for the Year Ended 31 August 2010**

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**DIRECTORS**

A Gonzalez Diez  
M Gonzalez Gordon Lopez De Carnzosa  
T Kamphuijs  
G Nicolai

**SECRETARY**

D Strangways Booth

**REGISTERED OFFICE**

29 Ludgate Hill  
London  
EC4M 7JE

**REGISTERED NUMBER**

00046967 (England and Wales)

**AUDITORS**

Target  
Chartered Accountants  
Statutory Auditor  
14th Floor  
76 Shoe Lane  
London  
EC4A 3JB

**REPORT OF THE DIRECTORS  
for the Year Ended 31 August 2010**

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The directors present their report with the financial statements of the company for the year ended 31 August 2010

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of a holding and royalty company. The activities of the subsidiary undertakings of the company continued to be that of the production and distribution of sherry, brandy, wines, spirits, liqueurs and soft drinks.

The company is resident in the Netherlands.

**REVIEW OF BUSINESS**

The results for the year are set out on page 5.

The company did not start up any new activities during the year and continues to enjoy regular distributions from the investments held.

**DIVIDENDS**

An interim dividend of €0.3411 per share was paid on 13 April 2010. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2010 will be €2,163,046.

**FUTURE DEVELOPMENTS**

The management is of the opinion that the present level of activities will be maintained during the financial year.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 September 2009 to the date of this report.

A Gonzalez Diez  
M Gonzalez Gordon Lopez De Carrizosa  
T Kamphuijs  
G Nicolai

**FINANCIAL INSTRUMENTS**

The company does not make use of financial instruments nor of related risk management activities, other than in relation to loans with fellow group companies.

The risks relating to these loans are managed as part of the group's ongoing cashflow management strategy.


**STAFF NUMBERS AND EMPLOYMENT COSTS**

The Company has no employees and hence incurred no wages, salaries or related social security charges during the reporting period, nor in the previous year.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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 then apply them consistently,
  - make judgements and accounting 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,
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
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**REPORT OF THE DIRECTORS**  
for the Year Ended 31 August 2010

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Target, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD**

  
A Gonzalez Diez - Director

Date

22/8/11



**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF  
GONZALEZ, BYASS & CO LIMITED**

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We have audited the financial statements of Gonzalez, Byass & Co Limited for the year ended 31 August 2010 on pages five to twelve. 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 to them in a Report of the Auditors 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 explained more fully in the Statement of Directors' Responsibilities set out on pages two and three, 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 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 Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 August 2010 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.

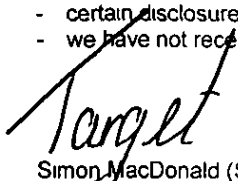
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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.

  
Simon MacDonald (Senior Statutory Auditor)  
for and on behalf of Target  
Chartered Accountants  
Statutory Auditor  
14th Floor  
76 Shoe Lane  
London  
EC4A 3JB

Date

12th September 2011



**PROFIT AND LOSS ACCOUNT**  
for the Year Ended 31 August 2010

	Notes	31 8 10 €	€	31 8 09 €	€
<b>TURNOVER</b>	2		45,804		105,432
Cost of sales			21,011		72,691
<b>GROSS PROFIT</b>			24,793		32,741
Administrative expenses			97,894		75,554
<b>OPERATING LOSS</b>	4		(73,101)		(42,813)
Income from shares in group undertakings		1,800,000		1,200,000	
Income from participating interests		-		6,963	
Interest receivable and similar income		20,831		5,073	
			1,820,831		1,212,036
			1,747,730		1,169,223
Interest payable and similar charges	5		103,474		51,705
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>			1,644,256		1,117,518
Tax on profit on ordinary activities	6		(41,041)		(29,412)
<b>PROFIT FOR THE FINANCIAL YEAR</b>			1,685,297		1,146,930

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the current year or previous year

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profits for the current year or previous year



BALANCE SHEET  
31 August 2010

	Notes	31 8 10 €	31 8 09 €
<b>FIXED ASSETS</b>			
Investments	8	20,751,030	20,751,030
<b>CURRENT ASSETS</b>			
Debtors	9	1,202,189	1,226,109
Cash at bank		69,132	167,550
		<u>1,271,321</u>	<u>1,393,659</u>
<b>CREDITORS</b>			
Amounts falling due within one year	10	<u>32,320</u>	<u>78,382</u>
<b>NET CURRENT ASSETS</b>		<u>1,239,001</u>	<u>1,315,277</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>21,990,031</u>	<u>22,066,307</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	11	(3,892,250)	(3,486,950)
<b>PROVISIONS FOR LIABILITIES</b>	13	(634,341)	(638,168)
<b>NET ASSETS</b>		<u>17,463,440</u>	<u>17,941,189</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	9,500,037	9,500,037
Share premium	15	5,731,329	5,731,329
Profit and loss account	15	2,232,074	2,709,823
<b>SHAREHOLDERS' FUNDS</b>	18	<u>17,463,440</u>	<u>17,941,189</u>

The financial statements were approved by the Board of Directors on its behalf by

22/8/11

and were signed on



A Gonzalez Diez - Director





**NOTES TO THE FINANCIAL STATEMENTS  
for the Year Ended 31 August 2010**

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**1 ACCOUNTING POLICIES**

**Accounting convention**

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

**Preparation of consolidated financial statements**

The financial statements contain information about Gonzalez, Byass & Co Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, GB Nolasco (Netherlands) B V, a company registered in the Netherlands

**Financial Reporting Standard Number 1**

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 per cent or more of the voting rights are controlled within the group

**Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

**Turnover**

Turnover represents amounts receivable from royalties net of VAT, trade discounts and withholding tax

**Deferred tax**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into Euro at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into Euro at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

**Investments**

Fixed asset investments are stated at cost less provision for diminution in value

**Pensions**

The pension scheme provision reflects the estimation made by the directors of the commitments held with the widow of a former director of the group. The main assumption used in measuring the present value of this obligation are a discount rate of Consumer Price Inflation plus 2 percentage points. The last actuarial valuation was carried out in the prior year

**2 TURNOVER**

The total turnover of the company for the year and the prior year has been derived from its principal activity wholly undertaken in the Netherlands

**3 STAFF COSTS**

There were no staff costs for the year ended 31 August 2010 nor for the year ended 31 August 2009



NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 August 2010

## 4 OPERATING LOSS

The operating loss is stated after charging

	31 8 10	31 8 09
	€	€
Other operating leases	18,225	22,215
Auditors' remuneration	6,325	5,691
Foreign exchange differences	43,293	-
	<u>          </u>	<u>          </u>
Directors' remuneration	-	-
	<u>          </u>	<u>          </u>

## 5 INTEREST PAYABLE AND SIMILAR CHARGES

	31 8 10	31 8 09
	€	€
Interest payable to group companies	82,296	32,805
Other interest payable	21,178	18,900
	<u>          </u>	<u>          </u>
	<u>103,474</u>	<u>51,705</u>

## 6 TAXATION

## Analysis of the tax credit

The tax credit on the profit on ordinary activities for the year was as follows

	31 8 10	31 8 09
	€	€
Current tax		
Foreign corporation tax	(41,041)	(29,412)
	<u>          </u>	<u>          </u>
Tax on profit on ordinary activities	<u>(41,041)</u>	<u>(29,412)</u>

## Factors affecting the tax credit

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31 8 10	31 8 09
	€	€
Profit on ordinary activities before tax	<u>1,644,256</u>	<u>1,117,518</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 - 28%)	460,392	312,905
Effects of		
Amounts not liable to UK taxes	(460,392)	(312,905)
Foreign tax adjustments	(41,041)	(29,412)
	<u>          </u>	<u>          </u>
Current tax credit	<u>(41,041)</u>	<u>(29,412)</u>

## 7 DIVIDENDS

Ordinary shares of €1.49 each  
Interim

	31 8 10	31 8 09
	€	€
	<u>2,163,046</u>	<u>495,020</u>

Included within other creditors is €1,809 (2009 - €Nil) of dividends included above that are payable under legal obligations

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 August 2010

## 8 FIXED ASSET INVESTMENTS

	Shares in group undertakings €
<b>COST</b>	
At 1 September 2009 and 31 August 2010	20,751,030
<b>NET BOOK VALUE</b>	
At 31 August 2010	20,751,030
At 31 August 2009	20,751,030

The company's investments at the balance sheet date in the share capital of companies include the following

**Gonzalez Byass S A**

Country of incorporation Spain

Nature of business Production and sale of alcohol

Class of shares	%
Equity	holding 100 00

**Bodegas Beronia S A**

Country of incorporation Spain

Nature of business Rioja wine producer

Class of shares	%
Equity	holding 89 00

**Alcoholera de la Mancha S A**

Country of incorporation Spain

Nature of business Alcohol producer

Class of shares	%
Equity	holding 100 00

**Vinicola Alcoholera Manchega S A**

Country of incorporation Spain

Nature of business Property rental

Class of shares	%
Equity	holding 100 00

**Pizarro S A**

Country of incorporation Spain

Nature of business Dormant

Class of shares	%
Equity	holding 100 00

**Hacienda de Bracamonte S L**

Country of incorporation Spain

Nature of business Sale of olive oil

Class of shares	%
Equity	holding 61 00

**Finca Constancia, S L**

Country of incorporation Spain

Nature of business Viticulture

Class of shares	%
Equity	holding 100 00

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the Year Ended 31 August 2010

## 8 FIXED ASSET INVESTMENTS - continued

**Gonzalez Byass de Mexico S A de C V**

Country of incorporation Mexico

Nature of business Sale of alcohol

Class of shares	%
Equity	holding
	50 00

**Summa, una empresa Gonzalez Byass S L**

Country of incorporation Spain

Nature of business Sale of alcohol

Class of shares	%
Equity	holding
	100 00

**Tio Pepe S L**

Country of incorporation Spain

Nature of business Dormant

Class of shares	%
Equity	holding
	100 00

**The London Gin Company Limited**

Nature of business Dormant

Class of shares	%
Equity	holding
	100 00

**Gonzalez Byass UK Ltd**

Country of incorporation England

Nature of business Sale of alcohol

Class of shares	%
Equity	holding
	100 00

**Gonzalez Byass USA Inc**

Country of incorporation USA

Nature of business Sale of alcohol

Class of shares	%
Equity	holding
	100 00

**Vinas del Vero, S A**

Country of incorporation Spain

Nature of business Production and sale of Somontano wine

Class of shares	%
Equity	holding
	100 00

## 9 DEBTORS

	31 8 10	31 8 09
	€	€
Amounts falling due within one year		
Amounts owed by group undertakings	438,433	481,236
Other debtors	1,180	792
VAT	3,876	3,973
	<u>443,489</u>	<u>486,001</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
for the Year Ended 31 August 2010

**9 DEBTORS - continued**

	31 8 10	31 8 09
	€	€
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>758,700</u>	<u>740,108</u>
Aggregate amounts	<u>1,202,189</u>	<u>1,226,109</u>

**10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31 8 10	31 8 09
	€	€
Amounts owed to group undertakings	21,011	72,691
Other creditors	1,809	-
Accrued expenses	<u>9,500</u>	<u>5,691</u>
	<u>32,320</u>	<u>78,382</u>

**11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31 8 10	31 8 09
	€	€
Other loans (see note 12)	<u>3,892,250</u>	<u>3,486,950</u>

All loans falling due after more than one year are owed to fellow subsidiary undertakings

**12 LOANS**

An analysis of the maturity of loans is given below

	31 8 10	31 8 09
	€	€
Amounts falling due between two and five years		
Other loans	<u>3,892,250</u>	<u>3,486,950</u>

**13 PROVISIONS FOR LIABILITIES**

	31 8 10	31 8 09
	€	€
Pension obligations	<u>634,341</u>	<u>638,168</u>
		Pension obligation
		€
Balance at 1 September 2009		638,168
Pensions paid		(68,298)
Pension provision interest		21,178
Other movement		<u>43,298</u>
Balance at 31 August 2010		<u>634,346</u>

Note 1 contains further details relating to pension obligations

**14 CALLED UP SHARE CAPITAL**

Number	Class	Nominal value	31 8 10	31 8 09
			€	€
6,341,447	Ordinary	€1 49	<u>9,500,037</u>	<u>9,500,037</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the Year Ended 31 August 2010**

**15 RESERVES**

	Profit and loss account €	Share premium €	Totals €
At 1 September 2009	2,709,823	5,731,329	8,441,152
Profit for the year	1,685,297		1,685,297
Dividends	(2,163,046)		(2,163,046)
At 31 August 2010	<u>2,232,074</u>	<u>5,731,329</u>	<u>7,963,403</u>

**16 RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the immediate parent company

During the year the company incurred royalties charges from Boccini-Comercio Gestao e Sercios Lda, a group company incorporated in Portugal, of €21,011 (2009 - €72,691) Boccini-Comercio Gestao e Sercios Lda has advanced a loan to the company This is repayable on 15 April 2012 and interest accrues on an annual basis at 12 month EURIBOR plus 75 basis points Interest of €82,296 (2009 - €32,805) accrued in the year At the year end a balance of €21,011 (2009 - €72,691) was outstanding as due to Boccini-Comercio Gestao e Sercios Lda in respect of royalties and €3,892,250 (2009- €3,486,950) in respect of loans

The company holds a loan to Gonzalez Byass Overseas Limited, a group company incorporated in the Cayman Islands This is repayable on 31 August 2012 and interest accrues on an annual basis at 12 month EURIBOR plus 75 basis points Interest of €18,592 (2009 - €6,963) accrued in the year At the year end a balance of €758,700 (2009- €740,108) was outstanding as due from Gonzalez Byass Overseas Limited

**17 ULTIMATE CONTROLLING PARTY**

The immediate parent company is GB Nolasco (Netherlands) B V , a company incorporated in the Netherlands The consolidated accounts of the immediate parent are available on the public record in the Netherlands and can be obtained from [www.kvk.nl](http://www.kvk.nl)

The ultimate parent company is Gonzalez Byass Overseas Limited, a company incorporated in the Cayman Islands

**18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	31 8 10 €	31 8 09 €
Profit for the financial year	1,685,297	1,146,930
Dividends	(2,163,046)	(495,020)
<b>Net (reduction)/addition to shareholders' funds</b>	<u>(477,749)</u>	<u>651,910</u>
Opening shareholders' funds	17,941,189	17,289,279
<b>Closing shareholders' funds</b>	<u>17,463,440</u>	<u>17,941,189</u>