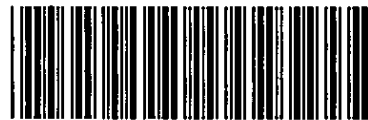


REGISTERED NUMBER 00046967 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2011
FOR
GONZALEZ, BYASS & CO LIMITED**

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GONZALEZ, BYASS & CO LIMITED (REGISTERED NUMBER 00046967)

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2011**

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GONZALEZ, BYASS & CO LIMITED

COMPANY INFORMATION
for the Year Ended 31 August 2011

DIRECTORS

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

SECRETARY

D Strangways Booth

REGISTERED OFFICE

14th Floor
76 Shoe Lane
London
EC4A 3JB

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 2011**

The directors present their report with the financial statements of the company for the year ended 31 August 2011

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 €0.4122 per share was paid on 17 March 2011. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 August 2011 will be €2,614,111.

FUTURE DEVELOPMENTS

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

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 September 2010 to the date of this report.

A Gonzalez Diez
M Gonzalez Gordon Lopez De Carnzosa
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.

REPORT OF THE DIRECTORS
for the Year Ended 31 August 2011

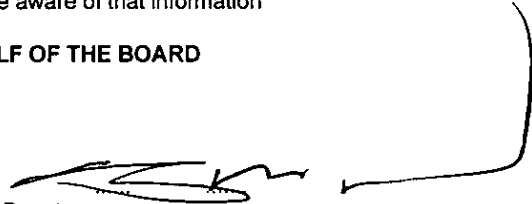
STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

ON BEHALF OF THE BOARD


G Nicolai - Director

Date

25th JUNE 2012

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

We have audited the financial statements of Gonzalez, Byass & Co Limited for the year ended 31 August 2011 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 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 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. In addition, we read all the financial and non-financial information in the Report of the Directors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

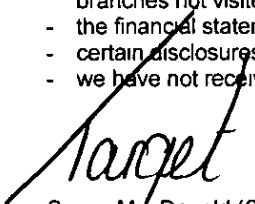
Opinion on other matter prescribed by the Companies Act 2006

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 25th June 2012

GONZALEZ, BYASS & CO LIMITED (REGISTERED NUMBER 00046967)

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 August 2011**

	Notes	2011	2010
		€	€
TURNOVER	2	-	45,804
Cost of sales		-	21,011
GROSS PROFIT		-	24,793
Administrative expenses		3,149	97,894
OPERATING LOSS	4	(3,149)	(73,101)
Income from shares in group undertakings		2,700,000	1,800,000
Interest receivable and similar income		19,063	20,831
		2,719,063	1,820,831
		2,715,914	1,747,730
Interest payable and similar charges	5	114,632	103,474
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,601,282	1,644,256
Tax on profit on ordinary activities	6	-	(41,041)
PROFIT FOR THE FINANCIAL YEAR		2,601,282	1,685,297

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

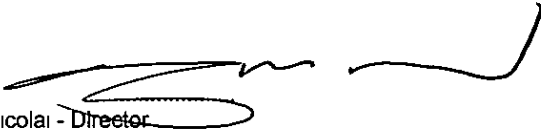
The notes form part of these financial statements

BALANCE SHEET
31 August 2011

	Notes	€ 2011	€ 2010
FIXED ASSETS			
Investments	8	20,751,030	20,751,030
CURRENT ASSETS			
Debtors	9	1,279,235	1,202,189
Cash at bank		78,601	69,132
		<u>1,357,836</u>	<u>1,271,321</u>
CREDITORS			
Amounts falling due within one year	10	<u>32,340</u>	<u>32,320</u>
NET CURRENT ASSETS		<u>1,325,496</u>	<u>1,239,001</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		22,076,526	21,990,031
CREDITORS			
Amounts falling due after more than one year	11	(4,087,477)	(3,892,250)
PROVISIONS FOR LIABILITIES	13	<u>(538,438)</u>	<u>(634,341)</u>
NET ASSETS		<u>17,450,611</u>	<u>17,463,440</u>
CAPITAL AND RESERVES			
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	<u>2,219,245</u>	<u>2,232,074</u>
SHAREHOLDERS' FUNDS	19	<u>17,450,611</u>	<u>17,463,440</u>

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

25th June 2012 and were signed on


G Nicolai - Director

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 August 2011

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 undertakings are included by full consolidation in the consolidated financial statements of Gonzales Byass & Co Ltd S A, a Company incorporated in Luxembourg, the parent of the company's immediate 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 2011 nor for the year ended 31 August 2010

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2011

4 OPERATING LOSS

The operating loss is stated after charging/(crediting)

	2011 €	2010 €
Other operating leases	18,715	18,225
Auditors' remuneration	6,273	6,325
Foreign exchange differences	<u>(54,160)</u>	<u>43,293</u>
Directors' remuneration	<u>-</u>	<u>-</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 €	2010 €
Interest payable to group companies	88,230	82,296
Other interest payable	<u>26,402</u>	<u>21,178</u>
	<u>114,632</u>	<u>103,474</u>

6 TAXATION**Analysis of the tax credit**

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

	2011 €	2010 €
Current tax		
Foreign corporation tax	<u>-</u>	<u>(41,041)</u>
Tax on profit on ordinary activities	<u>-</u>	<u>(41,041)</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

	2011 €	2010 €
Profit on ordinary activities before tax	<u>2,601,282</u>	<u>1,644,256</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 27.178% (2010 - 28%)	706,976	460,392
Effects of		
Amounts not liable to UK taxes	(706,976)	(460,392)
Foreign tax adjustments	<u>-</u>	<u>(41,041)</u>
Current tax credit	<u>-</u>	<u>(41,041)</u>

7 DIVIDENDS

	2011 €	2010 €
Ordinary shares of €1.49 each		
Interim	<u>2,614,111</u>	<u>2,163,046</u>

Included within other creditors is €351 (2010 - €1,809) of dividends included above that are payable under legal obligations

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2011

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings €
COST	
At 1 September 2010 and 31 August 2011	20,751,030
NET BOOK VALUE	
At 31 August 2011	20,751,030
At 31 August 2010	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	holding
Equity	100 00

Bodegas Beronia S A

Country of incorporation Spain

Nature of business Rioja wine producer

	%
Class of shares	holding
Equity	89 00

Alcoholera de la Mancha S A

Country of incorporation Spain

Nature of business Alcohol producer

	%
Class of shares	holding
Equity	100 00

Vinicola Alcoholera Manchega S A

Country of incorporation Spain

Nature of business Property rental

	%
Class of shares	holding
Equity	100 00

Pizarro S A

Country of incorporation Spain

Nature of business Dormant

	%
Class of shares	holding
Equity	100 00

Hacienda de Bracamonte S L

Country of incorporation Spain

Nature of business Sale of olive oil

	%
Class of shares	holding
Equity	61 00

Finca Constancia, S L

Country of incorporation Spain

Nature of business Viticulture

	%
Class of shares	holding
Equity	100 00

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2011

8 FIXED ASSET INVESTMENTS - continued

Gonzalez Byass de Mexico S A de C VCountry of incorporation Mexico
Nature of business Sale of alcohol

	%
Class of shares	holding
Equity	50 00

Summa, una empresa Gonzalez Byass S LCountry of incorporation Spain
Nature of business Sale of alcohol

	%
Class of shares	holding
Equity	100 00

Tio Pepe S LCountry of incorporation Spain
Nature of business Dormant

	%
Class of shares	holding
Equity	100 00

The London Gin Company Limited

Nature of business Dormant

	%
Class of shares	holding
Equity	100 00

Gonzalez Byass UK LtdCountry of incorporation England
Nature of business Sale of alcohol

	%
Class of shares	holding
Equity	100 00

Gonzalez Byass USA IncCountry of incorporation USA
Nature of business Sale of alcohol

	%
Class of shares	holding
Equity	100 00

Vinas del Vero, S ACountry of incorporation Spain
Nature of business Production and sale of Somontano wine

	%
Class of shares	holding
Equity	100 00

Other than Gonzalez Byass S A all subsidiaries are held indirectly

9 DEBTORS

	2011 €	2010 €
Amounts falling due within one year		
Amounts owed by group undertakings	496,135	438,433
Other debtors	2,317	1,180
VAT	3,024	3,876
	<u>501,476</u>	<u>443,489</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 August 2011

9 DEBTORS - continued

	2011 €	2010 €
Amounts falling due after more than one year		
Amounts owed by group undertakings	<u>777,759</u>	<u>758,700</u>
Aggregate amounts	<u>1,279,235</u>	<u>1,202,189</u>

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 €	2010 €
Amounts owed to group undertakings	21,011	21,011
Other creditors	351	1,809
Accrued expenses	<u>10,978</u>	<u>9,500</u>
	<u>32,340</u>	<u>32,320</u>

11 CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 €	2010 €
Other loans (see note 12)	<u>4,087,477</u>	<u>3,892,250</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

	2011 €	2010 €
Amounts falling due between two and five years		
Other loans	<u>4,087,477</u>	<u>3,892,250</u>

13 PROVISIONS FOR LIABILITIES

	2011 €	2010 €
Pension obligations	<u>538,438</u>	<u>634,341</u>
		Pension obligation
		€
Balance at 1 September 2010		634,341
Pensions paid		(68,145)
Pension provision interest		26,402
Other movement		<u>(54,160)</u>
Balance at 31 August 2011		<u>538,438</u>

Note 1 contains further details relating to pension obligations

14 CALLED UP SHARE CAPITAL

Number	Class	Nominal value	2011 €	2010 €
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 2011

15 RESERVES

	Profit and loss account €	Share premium €	Totals €
At 1 September 2010	2,232,074	5,731,329	7,963,403
Profit for the year	2,601,282		2,601,282
Dividends	(2,614,111)		(2,614,111)
At 31 August 2011	<u>2,219,245</u>	<u>5,731,329</u>	<u>7,950,574</u>

16 RELATED PARTY DISCLOSURES

During the year the company charged royalties to Gonzalez Byass S A , a subsidiary company incorporated in Spain, of €nil (2010 - €45,804) At the year end a balance of €nil (2010 - €46,192) was outstanding as due from Gonzalez Byass S A in respect of royalties

During the period the company paid certain expenses of its parent company GB Nolasco (Netherlands) B V At the year end a balance of €496,135 (2010 - €392,148) was outstanding as due from GB Nolasco (Netherlands) B V This balance is payable on demand and no interest is accruing

During the year the company incurred royalties charges from Boccini-Comercio Gestao e Sencios Lda, a group company incorporated in Portugal, of €nil (2010 - €21,011) Boccini-Comercio Gestao e Sencios 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 €88,320 (2010 - €82,296) accrued in the year At the year end a balance of €21,011 (2010 - €21,011) was outstanding as due to Boccini-Comercio Gestao e Sencios Lda in respect of royalties and €4,087,477 (2010- €3,892,250) 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 €19,059 (2010 - €18,592) accrued in the year At the year end a balance of €777,759 (2010- €758,700) was outstanding as due from Gonzalez Byass Overseas Limited

17 POST BALANCE SHEET EVENTS

Since the balance sheet date a process has begun to restructure the wider group to which the company belongs As part of this restructuring Gonzalez Byass S A , incorporated in Spain, is intended to become a direct subsidiary of Gonzalez Byass & Co Ltd, incorporated in Luxembourg

18 ULTIMATE CONTROLLING PARTY

The immediate parent company is GB Nolasco (Netherlands) B V , a company incorporated in the Netherlands The annual accounts of the GB Nolasco (Netherlands) B V and its subsidiaries are included in the consolidated accounts of the shareholder, Gonzalez Byass & Co Ltd, a Company incorporated in Luxembourg, which are filed with the Chamber of Commerce in Amsterdam

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

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 €	2010 €
Profit for the financial year	2,601,282	1,685,297
Dividends	(2,614,111)	(2,163,046)
Net reduction of shareholders' funds	(12,829)	(477,749)
Opening shareholders' funds	17,463,440	17,941,189
Closing shareholders' funds	17,450,611	17,463,440