

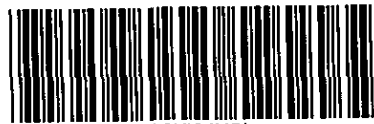
Canandaigua Limited

Directors' report and financial statements

Registered number 3649497

For the year ended 28 February 2013

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Directors' report

The directors present their annual report on the affairs of the company, together with the financial statements and auditor's report, for the year ended 28 February 2013

Principal activities

The principal activity of the Company is the holding of investments in subsidiary undertakings. The directors intend that the company continue to be a holding company.

Political or charitable donations

The company made no political or charitable donations in either year.

Results and dividends

The loss before tax for the year was £3,343,000 (2012 £66,456,000)

The directors do not recommend the payment of a dividend (2012 £Nil)

Directors and directors' interests

The directors who served during the year were as follows.

R Sands
FP Hetterich
TJ Mullin

Statement of disclosure to auditor

The directors who held office at the date of approval of the directors' report confirm that so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and KPMG LLP will therefore continue in office.

By order of the Board



P Hetterich
Director

The Guildway
Old Portsmouth Road
Artington
Guildford
GU3 1LR
2013

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK 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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Canandaigua Limited

We have audited the financial statements of Canandaigua Limited for the year ended 28 February 2013 set out on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 an auditor's report 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 28 February 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with UK 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Canandaigua Limited (continued)

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



Andrew Campbell-Orde (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
100 Temple Street
Bristol
BS1 6AG

1 November 2013

Profit and loss account
for the year ended 28 February 2013

	<i>Note</i>	2013 £000	2012 £000
Administrative charges		(36)	-
Provision against group receivables		-	(68,970)
Operating loss		(36)	(68,970)
Interest receivable and similar income	4	799	6,620
Interest payable and similar charges	5	(4,106)	(4,106)
Loss on ordinary activities before taxation	2	(3,343)	(66,456)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year	11	(3,343)	(66,456)

The notes on pages 7 to 11 form part of the financial statements

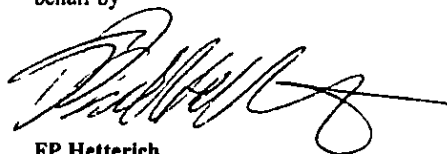
The company has no recognised gains and losses other than the results for the year as set out above

Balance sheet
at 28 February 2013

	<i>Note</i>	2013 £000	2012 £000
Fixed assets			
Investments	7	-	-
Current assets			
Cash at bank and in hand		13	31
Debtors	8	13,600	12,801
		<u>13,613</u>	<u>12,832</u>
Creditors amounts falling due within one year	9	<u>(58,647)</u>	<u>(54,523)</u>
Net current liabilities		<u>(45,034)</u>	<u>(41,691)</u>
Net liabilities		<u>(45,034)</u>	<u>(41,691)</u>
Capital and reserves			
Called up share capital	10	93,486	93,486
Share premium	11	159,229	159,229
Capital contribution reserve	11	82,815	82,815
Profit and loss account	11	(380,564)	(377,221)
Equity shareholders' deficit	12	<u>(45,034)</u>	<u>(41,691)</u>

The notes on pages 7 to 11 form part of the financial statements

These financial statements were approved by the board of directors on 28 October 2013 and were signed on its behalf by



FP Hetterich
Director

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards, which have been applied consistently throughout the year and the preceding year

The company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 401 of the Companies Act 2006 because it is a wholly owned subsidiary of Constellation Brands Inc which prepares publicly available consolidated financial statements under US Generally Accepted Accounting Principles, and which are demonstrably equivalent to EU Endorsed International Financial Reporting Standards. The accounts are available from the address in note 13

Under FRS 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

At 28 February 2013, the company had net current liabilities of £45,034,000 (2012 £41,691,000). The company has received confirmed support from its parent undertaking, Constellation International Holdings Limited for a period of at least 12 months from the date of approval of the financial statements. Consequently the directors consider that it is appropriate to adopt the going concern basis of preparation for the financial statements

The company has taken advantage of the exemption provided by FRS 8 (*as amended in December 2008*) whereby disclosure is not required in the financial statements of subsidiary undertakings, 100 per cent of whose voting rights are controlled in the group, with entities that are part of the group or investees of the group qualifying as related parties

Taxation

The charge for taxation is based on the loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Investments

Investments are held at cost, less any provision for any impairment. The carrying amounts of the company's investments are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the investment may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated

An impairment loss is recognised whenever the carrying amount of an investment exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account

The recoverable amount of investments is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment

Notes (continued)

2 Loss on ordinary activities before taxation

The audit fee for the year for itself and its subsidiaries was borne by the company's subsidiary (2012 the company)

Fees payable to the company's auditor	2013 £000	2012 £000
Fees for the audit of the company	6	3
Fees for the audit of the company's subsidiaries	6	12
	<u>12</u>	<u>15</u>

3 Directors' remuneration

The directors received no remuneration for their services to the company (2012 £Nil)

There were no staff directly employed by the company in either year. As a result, there were no payroll costs during either year.

4 Interest receivable and similar income

	2013 £000	2012 £000
Interest receivable on loans to group undertakings	799	4,991
Gain on translation of foreign currency loans	-	1,278
Finance income on fixed asset investments held	-	351
	<u>799</u>	<u>6,620</u>

5 Interest payable and similar charges

	2013 £000	2012 £000
Interest payable on loans to group undertakings	4,106	4,106

Notes (continued)

6 Tax on loss on ordinary activities

The tax credit comprises

	2013 £000	2012 £000
UK corporation tax	-	-
Total tax credit on loss on ordinary activities	-	-

Factors affecting the tax credit for the current year

The current tax credit for the period is lower (2012 lower) than the standard rate of corporation tax in the UK of 24 2% (2012 26 8%) The differences are explained below

	2013 £000	2012 £000
Loss on ordinary activities before taxation	(3,343)	(66,456)
Tax on ordinary activities at standard UK corporation tax rate of 24 2% (2012 26 8%)	(808)	(17,810)
<i>Effects of</i>		
Expenses not deductible for tax purposes	-	17,810
Losses carried forward	808	-
Group relief provided	-	-
Current tax credit for the year	-	-

A reduction in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively This will reduce the company's future current tax charge accordingly

The March 2013 Budget announced that the rate will further reduce to 20% by 2015 in addition to the planned reduction to 21% by 2014 previously announced in the December 2012 Autumn Statement It has not yet been possible to quantify the full anticipated effect of the announced further 3% rate reduction, although this will further reduce the company's future current tax charge

Notes (continued)

7 Fixed asset investments

	Shares in subsidiary undertakings £'000
<i>Cost</i>	
At 1 March 2012	269,877
Additions	73,929
	<hr/>
At 28 February 2013	343,806
	<hr/>
<i>Amounts written-off</i>	
At 1 March 2012	269,877
Impairment	73,929
	<hr/>
At 28 February 2013	343,806
	<hr/>
<i>Net book value</i>	
At 28 February 2013	-
	<hr/>
At 29 February 2012	-
	<hr/>

On February 28, 2013, as part of an intra-group reorganization, Canandaigua Limited ("CLtd") agreed to waive the debt owed by its subsidiary Constellation Europe Holdings Limited ("CEHL") in the amount of £73,929,000. In doing this CLtd is deemed to have made a capital contribution to CEHL, which was immediately impaired due to the financial position of the CEHL. As the loan had been fully provided for in the prior year there was no P&L impact of this transaction.

At 28 February 2013, the company held 20% or more of the allocated share capital of the following companies

	Country of registration	Class of share capital held	Proportion held	Nature of business
Constellation Europe (Holdings) Limited	England and Wales	Ordinary	100%	Holding company

8 Debtors: amounts falling due within one year

	2013 £000	2012 £000
Amounts due from group undertakings	13,600	12,801
	<hr/>	<hr/>

Notes (continued)

9 Creditors: amounts falling due within one year

	2013 £000	2012 £000
Amounts due to group undertakings	58,647	54,523
	<u>58,647</u>	<u>54,523</u>

10 Share capital

	2013 £000	2012 £000
<i>Allotted, called up and fully paid</i>		
93,486,156 ordinary shares of £1 each (2012 93,486,156)	93,486	93,486
	<u>93,486</u>	<u>93,486</u>

11 Reserves

	Capital contribution reserve £000	Share premium £000	Profit and loss account £000
At beginning of year	82,815	159,229	(377,221)
Loss for the financial year	-	-	(3,343)
	<u>82,815</u>	<u>159,229</u>	<u>(380,564)</u>
At end of year	82,815	159,229	(380,564)

The capital contribution reserve is regarded as distributable.

12 Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Opening shareholders' (deficit)/funds	(41,691)	24,765
Loss for the financial year	(3,343)	(66,456)
	<u>(45,034)</u>	<u>(41,691)</u>
Closing shareholders' deficit	(45,034)	(41,691)

13 Ultimate parent company

The company is a subsidiary of Constellation International Holdings Limited, incorporated in the United States of America

The smallest and largest group in which the results of the company are consolidated is headed by Constellation Brands Inc, the ultimate parent company which is incorporated in the United States of America. Copies of these financial statements are available from Investor Center, Constellation Brands Inc, 207 High Point Drive, Building 100, Victor, NY 14564, USA