



AUSTRALIAN VINTAGE LTD

**Preliminary Final Report of
Australian Vintage Ltd
for the Financial Year Ended 30 June 2015**

(ACN 052 179 932)

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

Current Reporting Period: Financial Year ending 30 June 2015

Previous Corresponding Period: Financial Year ending 30 June 2014

Australian Vintage Ltd

Revenue and Net Profit

		Percentage Change %	Amount \$'000
Total operating revenue	Up	7.5%	230,896
Net profit	Down	11.1%	9,366

Brief Explanation of Revenue, Net Profit/(Loss) and Dividends (Distributions)

See the attached press release.

Details Relating to Dividends

		Date dividend paid / payable	Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend	2015	-	-	-
	2014	19/11/2014	2.20	-
Interim dividend	2015	-	-	-
	2014	-	-	-
Total	2015	-	-	-
	2014	19/11/2014	2.20	-

Total dividend (distribution) per security (interim plus final)

	2015 ¢	2014 ¢
Ordinary securities	2.20	2.60

Interim and final dividend (distribution) on all securities

	2015 \$'000	2014 \$'000
Ordinary securities	5,110	3,451
Total	5,110	3,451

Any other disclosures in relation to dividends (distributions).

In respect of the financial year ended 30 June 2015, there will be no dividend paid.

Australian Vintage Ltd

Dividend Reinvestment Plans

The dividend or distribution plans shown below are in operation.

Australian Vintage Ltd Dividend Re-investment Plan is currently suspended.

The last date(s) for receipt of election notices for the dividend or distribution plans
Net Tangible Assets Per Security

N/A

Net tangible assets per security

2015
\$

2014
\$

0.88

0.85

Commentary on Results

See attached press release.

Information on Audit or Review

This preliminary final report is based on accounts to which one of the following applies.

- | | |
|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| <input type="checkbox"/> The accounts have been audited. | <input type="checkbox"/> The accounts have been subject to review. |
| <input checked="" type="checkbox"/> The accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The accounts have not yet been audited or reviewed. |

Description of likely dispute or qualification if the accounts have not yet been audited or subject to review or are in the process of being audited or subjected to review.

Nil.

Description of dispute or qualification if the accounts have been audited or subjected to review.

Nil.

Australian Vintage Ltd

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the financial year ended 30 June 2015

	Note	Consolidated	
		2015 \$'000	2014 \$'000
Revenue	2	230,896	214,753
Cost of sales	2	(171,206)	(155,745)
Gross Profit		59,690	59,008
Fair value of grapes picked during the financial year less estimated costs to sell		2,816	2,713
Investment income	2	138	532
Other gains and losses	2	1,795	1,824
Distribution expenses		(13,631)	(11,977)
Sales and marketing expenses		(26,139)	(24,984)
Administration expenses		(7,929)	(7,154)
Finance costs	2	(6,397)	(9,139)
Gain on provision for onerous contracts		924	4,106
Gain on sale of other property, plant and equipment		14	178
Gain on sale of Yaldara winery and brand name		6,351	-
Legal fees on vineyard lease dispute		(1,005)	-
Non-recoverable incentives to customers		(5,559)	-
Profit before income tax	2	11,068	15,107
Income tax expense		(1,702)	(4,563)
Net profit for the year		9,366	10,544
Other comprehensive loss:			
<u>Items that may be subsequently classified to the profit and loss:</u>			
Gain / (Loss) on interest rate swaps		86	491
Valuation of foreign exchange hedges		(434)	(257)
<u>Items that will not be subsequently classified to the profit and loss:</u>			
Exchange differences arising on translation of foreign operations		157	73
Income tax relating to components of other comprehensive income		58	(92)
Other comprehensive loss for the year, net of tax		(133)	215
Total comprehensive income for the year		9,233	10,759
Earnings Per Share:			
Basic (cents per share)	4	4.0	5.1
Diluted (cents per share)	4	4.0	5.1

Notes to the financial statements are included on pages 7 to 16.

Australian Vintage Ltd

Consolidated Statement of Financial Position As at 30 June 2015

	Note	Consolidated	
		2015 \$'000	2014 \$'000
Current Assets			
Cash and cash equivalents		2,309	4,202
Trade and other receivables		39,193	41,698
Inventories		165,459	168,142
Current tax assets		119	49
Other		4,867	3,851
Total Current Assets		211,947	217,942
Non-Current Assets			
Trade and other receivables		446	-
Inventories		33,543	23,736
Other financial assets		59	59
Biological assets		32,828	33,184
Property, plant and equipment		83,200	90,058
Goodwill		37,685	37,685
Other intangible assets		6,102	7,744
Water licences		7,554	7,554
Deferred tax assets		50,739	52,100
Other		-	435
Total Non-Current Assets		252,156	252,555
Total Assets		464,103	470,497
Current Liabilities			
Trade and other payables		40,305	40,996
Borrowings		1,514	3,606
Other financial liabilities		1,534	1,101
Provisions		5,956	5,579
Other		495	535
Total Current Liabilities		49,804	51,817
Non-Current Liabilities			
Borrowings		105,047	112,349
Deferred tax liabilities		14,728	14,491
Other financial liabilities		20	112
Provisions		2,144	3,491
Total Non-Current Liabilities		121,939	130,443
Total Liabilities		171,743	182,260
Net Assets		292,360	288,237
Equity			
Issued capital	3	443,266	443,266
Reserves		671	804
Accumulated losses		(151,577)	(155,833)
Total Equity		292,360	288,237

Notes to the financial statements are included on pages 7 to 16.

Australian Vintage Ltd

Consolidated Statement of Cash Flows For the financial year ended 30 June 2015

	Note	Consolidated	
		2015 \$'000	2014 \$'000
Cash flows from operating activities			
Receipts from customers		247,221	220,898
Payments to suppliers and employees		(239,085)	(216,593)
Cash generated from operations		8,136	4,305
Interest and other costs of finance paid		(6,091)	(8,388)
Interest and bill discounts received		46	447
Net cash (used in) / provided by operating activities		2,091	(3,636)
Cash flows from investing activities			
Payments for property, plant and equipment		(4,272)	(3,069)
Payments for intangibles		(199)	(374)
Payment for water licences		-	(87)
Proceeds from sale of property, plant & equipment		15,516	184
Net cash (used in) / provided by investing activities		11,045	(3,346)
Cash flows from financing activities			
Loan payment received		-	1,843
Dividends paid		(5,110)	(3,451)
Net proceeds from share issues		-	39,383
Proceeds from borrowings		-	-
Repayment of borrowings		(9,919)	(27,586)
Net cash provided by / (used in) financing activities		(15,029)	10,189
Net increase / (decrease) in cash and cash equivalents		(1,893)	3,207
Cash and cash equivalents at the beginning of the financial year		4,202	995
Cash and cash equivalents at the end of the financial year	9	2,309	4,202

Notes to the financial statements are included on pages 7 to 16.

Australian Vintage Ltd

Consolidated Statement of Changes in Equity For the financial year ended 30 June 2015

	Share capital \$'000	Equity - settled employee benefits reserve \$'000	Hedging reserve \$'000	Foreign currency translation reserve \$'000	Accumulated losses \$'000	Total \$'000
Balance at 1 July 2013	403,155	1,578	(948)	40	(162,926)	240,899
Profit for the period	-	-	-	-	10,544	10,544
Profit on interest rate swaps	-	-	491	-	-	491
Valuation of foreign exchange hedges	-	-	(257)	-	-	(257)
Exchange differences arising on translation of foreign operations	-	-	-	73	-	73
Income tax relating to components of other comprehensive income	-	-	(70)	(22)	-	(92)
Total comprehensive income for the period	-	-	164	51	10,544	10,759
Transactions with owners in their capacity as owners:						
Dividend paid	-	-	-	-	(3,451)	(3,451)
Options	-	(81)	-	-	-	(81)
Issue of shares	40,111	-	-	-	-	40,111
Balance at 30 June 2014	443,266	1,497	(784)	91	(155,833)	288,237
Balance at 1 July 2014	443,266	1,497	(784)	91	(155,833)	288,237
Profit for the period	-	-	-	-	9,366	9,366
Profit on interest rate swaps	-	-	86	-	-	86
Valuation of foreign exchange hedges	-	-	(434)	-	-	(434)
Exchange differences arising on translation of foreign operations	-	-	-	157	-	157
Income tax relating to components of other comprehensive income	-	-	105	(47)	-	58
Total comprehensive income for the period	-	-	(243)	110	9,366	9,233
Transactions with owners in their capacity as owners:						
Dividend paid	-	-	-	-	(5,110)	(5,110)
Options	-	-	-	-	-	-
Issue of shares	-	-	-	-	-	-
Balance at 30 June 2015	443,266	1,497	(1,027)	201	(151,577)	292,360

Notes to the financial statements are included on pages 7 to 16.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1 Basis of preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the June 2014 full year report other than as listed below.

Adoption of new and revised Accounting Standards

In the current year, the Group has applied a number of new and revised AASBs issued by the Australian Accounting Standards Board (AASB) that are mandatorily effective for an accounting period that begins on or after 1 July 2014.

Standard/ Interpretation	Requirements
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	The amendments to AASB 132 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.
AASB 2013-3 'Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets'	The amendments to AASB 136 remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by AASB 13 'Fair Value Measurements'.
AASB 2013-4 'Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting'	The amendments to AASB 139 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.
AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and minor editorial amendments to various standards.
AASB 2014-1 Amendments to Australian Accounting Standards [Part A – Annual Improvements 2010-2012 and 2011-2013 Cycles]	Part A makes various amendments to Australian Accounting Standards arising from the issuance by IASB of IFRSs Annual Improvements to IFRS 2010- 2012 Cycle and Annual Improvements to IFRSs 2011-2013 Cycle.
AASB 2014-1 Amendments to Australian Accounting Standards [Part E – Financial Instruments]	Makes amendments to Australian Accounting Standards to reflect the AASB's decision to defer the mandatory application date of AASB 9 Financial Instruments to annual reporting periods beginning on or after 1 January 2018. For further details on these amendments to AASB 9, refer to sections noted above.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1 Basis of preparation (continued)

Standards and Interpretations in issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	30 June 2019
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	30 June 2018
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	30 June 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	30 June 2017
AASB 2014-6 'Amendments to Australian Accounting Standards – Agriculture: Bearer Plants'	1 January 2016	30 June 2017
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	30 June 2017
AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	30 June 2017
AASB 2015-2 'Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101'	1 January 2016	30 June 2017
AASB 2015-3 'Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality'	1 January 2015	30 June 2017

The potential effects of the above Standards and Interpretations on the Group's financial statements has not yet been determined.

Standards and Interpretations affecting the reported results or financial position

There are no new and revised Standards and Interpretations adopted in these financial statements affecting the reporting results or financial position.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1 Basis of preparation (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, directors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

On the following page are the critical judgements that directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements.

Inventories

The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell which approximates fair value less cost to sell. The key assumptions require the use of management judgment. These key assumptions are the variables affecting the estimated costs to sell and the expected selling price.

The write down is based on assuming a selling price of the wine either through packaged goods or as bulk wine. Should the key assumptions applied in the estimation of revenue from the sale of the inventory when sold vary the ultimate realisable value may differ from that recorded at balance date.

Income tax losses

The company has recognised deferred tax assets in relation to unused tax losses and temporary differences as at the end of the reporting period. The recognition of deferred tax assets is after considering whether it is probable that the company will have sufficient taxable income in the foreseeable future and against which the deferred tax assets can be recovered.

The assessment of whether there will be sufficient taxable income is subject to a level of judgement and if the actual conditions vary to the assumptions adopted, the carrying value of the asset would need to be reassessed.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 1 Basis of preparation (continued)

Critical accounting judgements and key sources of estimation uncertainty (continued)

Onerous Contracts

The Company is party to a variety of grape supply agreements including vineyard lease agreements; grower grape supply agreements; and management of vineyard agreements. The agreements provide for the Company to acquire grapes at various prices some of which exceed market values.

The agreements in the current market are onerous.

Each contract has been reviewed and it has been determined that there is an unavoidable cost of meeting the obligations under the grape supply agreements that exceeds the forecast economic benefits (the onerous amount).

The provision for the onerous contracts has been brought to account using the best estimate of the onerous amount.

There are a number of future events the company expects will affect the amount required to settle the contracts and these events are reflected in the amount of the provisions where there is sufficient objective evidence that they will occur.

The onerous contracts provision has been adjusted to the present value (at 8.5% discount rate – 2014 : 8.5%) of the expenditures expected to be required to settle the onerous obligations.

Impairment of goodwill and other intangibles

The goodwill arising from the acquisition of businesses has been reassessed through the estimation of the value in use of the cash generating units (CGU) to which goodwill has been allocated. The value in use calculations require the Group to estimate the future cash flows expected to arise from the CGU and select a risk adjusted discount rate in order to calculate present value.

A discounted cash flow analysis was performed on the CGU's associated with the goodwill balances, using a pre-tax discount rate of 12.18% (2014 : 13.42%) (bulk wine business), which indicated that the fair value of assets (including goodwill), based upon discounted cash flows, was higher than the carrying value.

The carrying value of the brand names have been individually assessed as part of separate CGU's.

Impairment tests were performed on brand names using a discounted cash flow model and a pre-tax discount rate of 17.9% (2014 : 19.0%) (branded wine business).

There have been estimations applied to assumptions in the cash flows from the CGUs. Should these estimations vary the carrying amount of the intangible assets would need to be reassessed.

Revaluation of biological assets

The company reviewed the long term value of vineyards and adopted the net present values of the cash flows as a Directors' Valuation for the year ended 30 June 2015.

In determining the fair value of the biological assets, the forecast cash flows from the vineyards have been discounted using a 13.44% (2014 : 15.14%) pre-tax discount rate.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 2 Profit / (Loss) from operations

	Consolidated	
	2015 \$'000	2014 \$'000
(a) Revenue		
Revenue from the sale of goods	223,955	200,904
Revenue from contract processing	2,735	10,067
Revenue from rendering vineyard contract services	4,206	3,782
Total revenue	230,896	214,753
A portion of the Group's revenue from the sale of goods denominated in foreign currencies is cash flow hedged. The amounts disclosed above for revenue from the sale of goods include the recycling of the effective amount of the foreign currency derivatives that are used to hedge foreign currency revenue.		
Investment Income		
Rental revenue	93	85
Interest received	45	447
Total	138	532
Other gains / (losses)		
Wine equalisation tax rebate	500	500
Gain on foreign exchange	181	229
Other rebates	481	538
Other	633	557
Total	1,795	1,824
(b) Profit / (Loss) before income tax		
Profit / (Loss) before income tax has been arrived at after crediting/(charging) the following gains and losses:		
Profit / (Loss) on disposal of Yaldara winery and brand name	6,351	-
Profit / (Loss) on disposal of other property, plant and equipment	14	178
Profit / (Loss) on foreign exchange	181	229
Profit / (Loss) before income tax has been arrived at after charging the following expenses:		
Cost of sales	171,206	155,745
Finance costs:		
Interest on loans	5,856	8,021
Finance lease interest	314	528
	6,170	8,549
Unwinding of discounts on provisions	227	590
Total finance costs	6,397	9,139
Depreciation of non-current assets – charged to cost of sales / inventory	4,931	5,323
Depreciation of non-current assets – other	1,114	1,184
Amortisation of non-current assets	589	567
Total depreciation and amortisation expense	6,634	7,074
Operating lease rental expenses (minimum lease payments)	10,944	10,708
(c) Earnings before interest and tax (EBIT)		
Earnings before interest and tax	17,420	23,799

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 3: Issued capital

	Consolidated	
	2015 \$'000	2014 \$'000
232,262,382 Fully paid ordinary shares (2014 : 232,262,382)	443,266	443,266
	\$'000	Number
Fully paid ordinary share capital		
Beginning of financial year	443,266	232,262,382
Issued during the year	-	-
End of financial year	443,266	232,262,382

All shares have equal rights to voting and dividends.

Note 4: Earnings per share

	Consolidated	
	2015 Cents Per share	2014 Cents Per share
Basic earnings per share	4.0	5.1
Diluted earnings per share	4.0	5.1
	\$'000	\$'000
Profit for the year	9,366	10,544
	2015 Number of Shares '000	2014 Number of Shares '000
Weighted average number of ordinary shares used in calculating basic earnings per share	232,262	207,738
Weighted average number of ordinary shares used in calculating diluted earnings per share	232,262	207,738

Note 5: Dividends

	Company 2015		Company 2014	
	Cents Per share	Total \$'000	Cents Per share	Total \$'000
Fully paid ordinary shares:				
Interim dividend – franked to 30%	-	-	-	-
Final dividend – franked to 30%	2.2	5,110	2.6	3,451
		5,110		3,451
Adjusted franking account balance		8,919		11,109

In respect of the financial year ended 30th June 2015, no dividend will be paid. In respect of the year ended 30th June 2014, 2.20 cents per share was declared on 27th August 2014 and paid on 19th November 2014.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 6: Borrowings

During the year the company reached agreement with the National Australia Bank to extend its debt facility until September 2017. The company will continue to be subject to various covenants. In addition, the company is able to declare a dividend provided the dividend is approved by the National Australia Bank or underwritten.

Note 7: Subsequent events

In respect of the financial year ended 30 June 2015, no dividend will be paid. For the year ended 30th June 2015 the Company has paid \$1,005,000 in legal fees in relation to a dispute with a vineyard owner. The dispute is unresolved at the date of this report.

There have been no matters or circumstances, other than that referred to in the financial statements or notes thereto, that have arisen since the end of the financial year, that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Note 8: Segment information

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the company that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

Information reported to the Company's Chief Executive Officer for the purpose of resource allocation and assessment of performance is specifically focused on the nature and location of the supply. The Company's reportable segments under AASB 8 are therefore as follows:

- Australasia / North America Packaged
 - supplies packaged wine within Australia, New Zealand, Asia and North America through retail and wholesale channels.
- UK / Europe
 - supplies packaged and bulk wine in the United Kingdom and Europe through retail and distributor channels.
- Cellar Door
 - supplies wine direct to the consumer through regional outlets.
- Australasia / North America bulk wine and processing
 - supplies bulk wine, concentrate and winery processing services throughout Australia, New Zealand, Asia and North America.
- Vineyards
 - provides vineyard management and maintenance services within Australia.

Information regarding these segments is presented below. The accounting policies of the reportable segments are the same as the Company's accounting policies.

The revenue reported represents revenue generated from external customers. There were no intersegment sales during the period.

Segment profit represents the profit earned by each segment without allocation of share of profits of associates, investment and interest revenue, gain on onerous contracts, impairment of water licences, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 8: Segment information (continued)

The following is an analysis by reportable operating segment for the period under review:

Business Segments

Segments Revenue, Results, Assets and Liabilities

	Revenue 2015 \$'000	Revenue 2014 \$'000	Results 2015 \$'000	Results 2014 \$'000
Australasia / North America packaged	99,026	88,855	7,194	7,956
UK / Europe	98,000	87,560	4,457	3,903
Cellar door	7,860	7,538	1,430	1,213
Australasia / North America bulk wine and processing	21,804	27,018	116	3,384
Vineyards	4,206	3,782	3,512	3,237
Total	230,896	214,753	16,709	19,693
Finance costs – interest paid			(6,397)	(9,139)
Gain on provision for onerous contracts			924	4,106
Interest received			45	447
Gain on sale of Yaldara winery and brand name			6,351	-
Legal fees on vineyard lease dispute			(1,005)	-
Non-recoverable incentives to customers			(5,559)	-
Profit before tax			11,068	15,107

Geographical Segments

	Revenue from external customers	
	2015 \$'000	2014 \$'000
Australia	110,559	107,345
UK / Europe	98,000	87,560
North America	8,486	6,272
Other	13,851	13,576
	230,896	214,753

The Group has sales to three major customers who individually account for greater than 10% of annual sales. The total sales for these customers were \$87.9M (2014 : \$88.6M). Of these sales, \$53.7M (2014 : \$52.1M) is included within the UK / Europe division and \$34.2M (2014 : \$36.5M) is included within the Australasia / North America Packaged division.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 9: Notes to the statement of cash flow

(a) Reconciliation of cash

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the Statement of Financial Position as follows:

	Consolidated	
	2015 \$'000	2014 \$'000
Cash	2,309	4,202
(b) Financing Facilities		
Unsecured bank overdraft facility, reviewed annually and payable at call:		
Amount Used	-	-
Amount Unused	5,000	5,000
	5,000	5,000
Reducing lease facility:		
Amount Used	1,276	3,661
Amount Unused	-	-
	1,276	3,661
Unsecured revolving lease facility:		
Amount Used	188	273
Amount Unused	162	77
	350	350
Bank Guarantee/Surrender facility:		
Amount Used	820	1,543
Amount Unused	1,830	1,107
	2,650	2,650
Corporate purchasing card facility:		
Amount Used	234	8
Amount Unused	266	492
	500	500
Cash advance facility:		
Amount Used	104,000	111,000
Amount Unused	6,000	4,000
	110,000	115,000
Total facility	119,776	127,161

(c) Non-cash financing and investing activities

During the reporting period Australian Vintage Ltd did not issue any ordinary shares (2014 : 99,541,745 for \$40,111 thousand net of issue costs). There were no shares issued to Directors as remuneration for the year ending 30th June 2015 (2014: Nil).

Australian Vintage Ltd operates a "Performance Rights and Options Plan". This long term incentive plan provides the right to an issue of shares subject to the achievement of set growth rates in earnings per share over a 4 year period. During the reporting period there were no options issued (2014 : 1,156,514; fair value at grant date of \$0.38 per option) . There were no other share options issued or exercised during the reporting period (2014: Nil).

During the financial year the company did not issue any shares (2014 : Nil) under it's Dividend Reinvestment Plan. There were no other movements in ordinary share capital or issued capital in the current or prior period.

(d) Business acquired

During the financial year there were no businesses acquired.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2015

Note 10: Contingent assets and liabilities

There are no contingent assets and liabilities.