



AUSTRALIAN VINTAGE LTD

**Preliminary Final Report of
Australian Vintage Ltd
for the Financial Year Ended 30 June 2012**

(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 2012

Previous Corresponding Period:

Financial Year ending 30 June 2011

Australian Vintage Ltd

Revenue and Net Profit

		Percentage Change %	Amount \$'000
Total operating revenue	Up	2.1	227,962
Net profit	Up	7.7	7,067

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

See the attached press release.

Details Relating to Dividends

		Date dividend paid	Amount per security ¢	Amount per security of foreign sourced dividend ¢
Final dividend	2012	19/11/2012	2.60	-
	2011	18/11/2011	2.50	-
Interim dividend	2012	-	-	-
	2011	-	-	-
Total	2012	19/11/2012	2.60	-
	2011	18/11/2011	2.50	-

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

	2012 ¢	2011 ¢
Ordinary securities	2.60	2.50

Interim and final dividend (distribution) on all securities

	2012 \$'000	2011 \$'000
Ordinary securities	3,432	3,215
Total	3,432	3,215

Any other disclosures in relation to dividends (distributions).

Record date for the payment of the final dividend will be 22nd October 2012. The dividend will be fully franked.

Australian Vintage Ltd

Dividend Reinvestment Plans

The dividend or distribution plans shown below are in operation.

Australian Vintage Ltd Dividend Re-investment Plan

The last date(s) for receipt of election notices for the dividend or distribution plans

22nd October 2012

Net Tangible Assets Per Security

Net tangible assets per security

2012
\$

2011
\$

1.04

1.03

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.

☐ The accounts have been audited.

☐ The accounts have been subject to review.

☒ The accounts are in the process of being audited or subject to review.

☐ 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 Comprehensive Income For the financial year ended 30 June 2012

	Note	Consolidated 2012 \$'000	2011 \$'000
Revenue	2	227,962	223,217
Cost of sales	2	(165,633)	(159,780)
Gross Profit		62,329	63,437
Fair value of grapes picked during the financial year less estimated costs to sell		967	5,036
Other revenue	2	1,665	1,781
Profit / (Loss) on sales of other property plant and equipment		218	(173)
Distribution expenses		(12,269)	(11,456)
Sales and marketing expenses		(22,349)	(21,658)
Administration expenses		(6,271)	(7,752)
(Loss) / gain on foreign exchange		(601)	460
Finance costs – interest paid		(12,835)	(14,230)
Finance costs – interest un-wind		(1,916)	(2,119)
Significant items	4	-	(6,677)
Profit before income tax	2	8,938	6,649
Income tax expense		(1,871)	(85)
Net profit for the year		7,067	6,564
Other comprehensive (loss) / income:			
Loss on interest rate swaps		(1,716)	(467)
Valuation of foreign exchange hedges		6	2,407
Exchange differences arising on translation of foreign operations		34	(241)
Income tax relating to components of other comprehensive income		503	(510)
Other comprehensive income / (loss) for the year, net of tax		(1,173)	1,189
Total comprehensive income / (loss) for the year		5,894	7,753
Earnings Per Share:			
Basic (cents per share)	6	5.4	5.1
Diluted (cents per share)	6	5.4	5.1

Notes to the financial statements are included on pages 7 to 17.

Australian Vintage Ltd

Consolidated Statement of Financial Position As at 30 June 2012

	Note	Consolidated 2012 \$'000	2011 \$'000
Current Assets			
Cash and cash equivalents		237	6,424
Trade and other receivables		39,546	46,236
Inventories		130,624	140,507
Current tax assets		200	12
Other		4,105	2,685
		174,712	195,864
Assets classified as held for sale	11	-	25,901
Total Current Assets		174,712	221,765
Non-Current Assets			
Trade and other receivables		1,843	-
Inventories		21,878	19,082
Other financial assets		59	64
Biological assets		33,169	33,048
Property, plant and equipment		95,613	97,148
Goodwill		37,685	37,685
Other intangible assets		7,780	8,092
Water Licences		8,692	8,692
Deferred tax assets		55,123	58,493
Total Non-Current Assets		261,842	262,304
Total Assets		436,554	484,069
Current Liabilities			
Trade and other payables		36,918	41,433
Borrowings		1,993	1,838
Other financial liabilities		1,618	652
Provisions		8,016	9,321
Other		42	222
		48,587	53,466
Liabilities directly associated with assets held for sale		-	373
Total Current Liabilities		48,587	53,839
Non-Current Liabilities			
Borrowings		127,329	165,596
Deferred tax liabilities		10,232	12,244
Other financial liabilities		751	-
Provisions		12,786	19,162
Total Non-Current Liabilities		151,098	197,002
Total Liabilities		199,685	250,841
Net Assets		236,869	233,228
Equity			
Issued capital	5	402,792	401,831
Reserves		641	1,814
Accumulated losses		(166,564)	(170,417)
Total Equity		236,869	233,228

Notes to the financial statements are included on pages 7 to 17.

Australian Vintage Ltd

Consolidated Statement of Cash Flows For the financial year ended 30 June 2012

	Note	Consolidated 2012 \$'000	2011 \$'000
Cash flows from operating activities			
Receipts from customers		241,448	258,081
Payments to suppliers and employees		(217,723)	(244,500)
Cash generated from operations		23,725	13,581
Interest and other costs of finance paid		(13,292)	(12,750)
Interest and bill discounts received		157	457
Net cash provided by operating activities		10,590	1,288
Cash flows from investing activities			
Payments for property, plant and equipment		(5,183)	(4,755)
Payments for tanks at end of lease		-	(15,280)
Payments for intangibles		(151)	(241)
Proceeds from sale of property, plant & equipment		26,151	1,566
Net cash provided by / (used in) investing activities		20,817	(18,710)
Cash flows from financing activities			
Loan payment received		2,313	-
Dividends paid		(2,253)	-
Proceeds from borrowings		-	23,745
Repayment of borrowings		(37,654)	(1,454)
Net cash provided by / (used in) financing activities		(37,594)	22,291
Net increase / (decrease) in cash and cash equivalents		(6,187)	4,869
Cash and cash equivalents at the beginning of the financial year		6,424	1,555
Cash and cash equivalents at the end of the financial year	12	237	6,424

Notes to the financial statements are included on pages 7 to 17.

Australian Vintage Ltd

Consolidated Statement of Changes in Equity For the financial year ended 30 June 2012

	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 2010	401,831	1,458	(1,026)	154	(176,981)	225,436
Profit for the period	-	-	-	-	6,564	6,564
Loss on interest rate swaps	-	-	(467)	-	-	(467)
Valuation of foreign exchange hedges	-	-	2,407	-	-	2,407
Exchange differences arising on translation of foreign operations	-	-	-	(241)	-	(241)
Income tax relating to components of other comprehensive income	-	-	(582)	72	-	(510)
Total comprehensive income for the period	-	-	1,358	(169)	6,564	7,753
Transactions with owners in their capacity as owners:						
Recognition of share-based payments	-	39	-	-	-	39
Balance at 30 June 2011	401,831	1,497	332	(15)	(170,417)	233,228
Balance at 1 July 2011	401,831	1,497	332	(15)	(170,417)	233,228
Profit for the period	-	-	-	-	7,067	7,067
Loss on interest rate swaps	-	-	(1,716)	-	-	(1,716)
Valuation of foreign exchange hedges	-	-	6	-	-	6
Exchange differences arising on translation of foreign operations	-	-	-	34	-	34
Income tax relating to components of other comprehensive income	-	-	513	(10)	-	503
Total comprehensive income for the period	-	-	(1,197)	24	7,067	5,894
Transactions with owners in their capacity as owners:						
Dividend paid	-	-	-	-	(3,214)	(3,214)
Issue of shares	961	-	-	-	-	961
Balance at 30 June 2012	402,792	1,497	(865)	9	(166,564)	236,869

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2012

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 2011 full year report other than as listed below.

Adoption of new and revised Accounting Standards

The following new and revised Standards and Interpretations have been adopted in the current year and have affected the amounts reported in these financial statements. Details of other Standards and Interpretations adopted in these financial statements but that have had no effect on the amounts reported are set out below.

Standards affecting presentation and disclosure

Amendments to AASB 7
Financial Instruments:
Disclosure'

The amendments (part of AASB 2010-4 'Further Amendments Australian Accounting Standards arising from the Annual Improvements Project'1) clarify the required level of disclosures about credit risk and collateral held and provide relief from disclosures previously required regarding renegotiated loans.

Amendments to AASB 101
Presentation of Financial Statements'
The amendments (part of AASB 2010-4
'Further Amendments

Australian Accounting Standards arising from the Annual Improvements Project'1) clarify that an entity may choose to present the required analysis of items of other comprehensive income either in the statement of changes in equity or in the notes to the financial statements.

AASB 1054 'Australian
Additional Disclosures' and
AASB 2011-1 'Amendments
to Australian Accounting
Standards arising from
Trans-Tasman Convergence
Project'

AASB 1054 sets out the Australian-specific disclosures for entities that have adopted Australian Accounting Standards. This Standard contains disclosure requirements that are in addition to IFRSs in areas such as compliance with Australian Accounting Standards, the nature of financial statements (general purpose or special purpose), audit fees, imputation (franking) credits and the reconciliation of net operating cash flow to profit (loss). AASB 2011-1 makes amendments to a range of Australian Accounting Standards and Interpretations for the purpose of closer alignment to IFRSs and harmonisation between Australian and New Zealand Standards. The Standard deletes various Australian-specific guidance and disclosures from other Standards (Australian-specific disclosures retained are now contained in AASB 1054), and aligns the wording used to that adopted in IFRSs.

AASB 124 'Related Party
Disclosures' (revised
December 2009)

AASB 124 (revised December 2009) has been revised on the following two aspects: (a) AASB 124 (revised December 2009) has changed the definition of a related party and (b) AASB 124 (revised December 2009) introduces a partial exemption from the disclosure requirements for government-related entities. The Company and its subsidiaries are not government-related entities.

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.

Standards and Interpretations adopted with no effect on financial statements

The following new and revised Standards and Interpretations have also been adopted in these financial statements. Their adoption has not had any significant impact on the amounts reported in these financial statements but may affect the accounting for future transactions or arrangements.

AASB 2010-5 'Amendments to
Australian Accounting Standards'

The Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations. The application of AASB 2010-5 has not had any material effect on amounts reported in the Group's consolidated financial statements.

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Notes to the Financial Statements for the financial year ended 30 June 2012

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', AASB 200911 'Amendments to Australian Accounting Standards arising from AASB 9' and AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)'	1 January 2013	30 June 2014
AASB 10 'Consolidated Financial Statements'	1 January 2013	30 June 2014
AASB 11 'Joint Arrangements'	1 January 2013	30 June 2014
AASB 12 'Disclosure of Interests in Other Entities'	1 January 2013	30 June 2014
AASB 127 'Separate Financial Statements' (2011)	1 January 2013	30 June 2014
AASB 128 'Investments in Associates and Joint Ventures' (2011)	1 January 2013	30 June 2014
AASB 13 'Fair Value Measurement' and AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014
AASB 119 'Employee Benefits' (2011) and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014
AASB 2010-8 'Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets'	1 January 2012	30 June 2013
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014
AASB 2011-7 'Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014
AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'	1 July 2012	30 June 2013

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	1 January 2014	30 June 2015
Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)	1 January 2013	30 June 2014
Mandatory Effective Date of IFRS 9 and Transition Disclosures (Amendments to IFRS 9 and IFRS 7)	1 January 2015	30 June 2016

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Notes to the Financial Statements

for the financial year ended 30 June 2012

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 Groups'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 judgment and if the actual conditions vary to the assumptions adopted, the carrying value of the asset would need to be reassessed.

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 – 2011 : 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 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 cash generating unit and select a risk adjusted discount rate in order to calculate present value.

A discounted cash flow analysis was performed on the cash generating units associated with the goodwill balances, using a pre-tax discount rate of 13.34% (2011 : 15.14%) (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 cash generating units (CGUs).

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Notes to the Financial Statements for the financial year ended 30 June 2012

Impairment tests were performed on brand names using a discounted cash flow model and a pre-tax discount rate of 20% (2011 : 20%) (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 2012.

In determining the fair value of the biological assets, the forecast cash flows from the vineyards have been discounted using a 14.53% (2011 : 15.62%) pre-tax discount rate.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 2 Profit / (Loss) from operations

	Consolidated	
	2012 \$'000	2011 \$'000
(a) Revenue		
Revenue from the sale of goods	212,763	206,093
Revenue from contract processing	11,373	13,602
Revenue from rendering vineyard contract services	3,826	3,522
Total revenue	227,962	223,217
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.		
Other Revenue		
Interest revenue	325	396
Rental revenue	133	184
Wine equalisation tax rebate	500	500
Other rebates	200	205
Insurance claim	-	258
Other	507	238
Total	1,665	1,781
(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 property, plant and equipment	218	(173)
(Loss) / Profit on foreign exchange	(601)	460
Profit / (Loss) before income tax has been arrived at after charging the following expenses:		
Cost of sales	165,633	159,780
Onerous contracts provision	-	(865)
Inventory net realisable adjustment	-	2,484
	165,633	161,399
Impairment of property, plant and equipment and other assets	-	5,142
Finance costs:		
Interest on loans	12,018	13,987
Finance lease interest	817	243
Total finance costs:	12,835	14,230
Depreciation of non-current assets – charged to cost of sales / inventory	5,437	5,506
Depreciation of non-current assets – other	1,127	928
Amortisation of non-current assets	463	398
Total depreciation and amortisation expense	7,027	6,832
Operating lease rental expenses (minimum lease payments)	15,143	18,284
(c) Earnings before interest and tax		
Earnings before interest and tax (including significant items)	23,364	22,602
Earnings before interest and tax (excluding significant items)	23,364	29,279

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Notes to the Financial Statements for the financial year ended 30 June 2012

Note 3: investments accounted for using the equity method

	Consolidated	
	2012	2011
	\$'000	\$'000
Investment in associates	-	-

(a) Interest in associates

Name of Entity	Principal Activity	Ownership Interest		Consolidated Carrying Amount	
		2012	2011	2012	2011
		%	%	\$'000	\$'000
Mangoola Vineyards Pty Ltd	Vineyard Investor	45	45	-	-

The entity is incorporated in Australia and voting rights equal ownership interest and has the same year end as the Company.

Note 4: Significant Items

	Consolidated	
	2012	2011
	\$'000	\$'000
<i>During the year Australian Vintage Ltd incurred the following revenues and expenses of a significant and one-off nature:</i>		
Provision for onerous contracts	-	865
Impairment of property, plant and equipment	-	(5,142)
Inventory net realisable adjustment	-	(2,484)
Sale of water licences	-	1,570
Holding costs associated with Loxton Winery	-	(2,919)
Settlements received	-	1,433
Significant items before income tax	-	(6,677)
Income tax benefit on significant items	-	2,003
Income tax benefit on capital losses utilised	-	49
Income tax benefit recognised on ceased investor vineyard scheme	-	969
Significant items after income tax benefit	-	(3,656)

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Notes to the Financial Statements for the financial year ended 30 June 2012

Note 5: Issued capital

	Consolidated	
	2012 \$'000	2011 \$'000
131,993,692 Fully paid ordinary shares (2011 : 128,580,317)	402,792	401,831
	\$'000	Number
Fully paid ordinary share capital		
Beginning of financial year	401,831	128,580,317
Issued during the year	961	3,413,375
End of financial year	402,792	131,993,692

All shares have equal rights to voting and dividends.

Note 6: Earnings per share

	Consolidated	
	2012 Cents Per share	2011 Cents Per share
Basic earnings per share	5.4	5.1
Diluted earnings per share	5.4	5.1
	\$'000	\$'000
Profit for the year	7,067	6,564
	2012 Number of Shares '000	2011 Number of Shares '000
Weighted average number of ordinary shares used in calculating basic earnings per share	131,037	128,580
Weighted average number of ordinary shares used in calculating diluted earnings per share	131,037	128,580

Note 7: Dividends

	Company 2012		Company 2011	
	Cents Per share	Total \$'000	Cents Per share	Total \$'000
Fully paid ordinary shares:				
Interim dividend – franked to 30%	-	-	-	-
Final dividend – franked to 30%	2.5	3,214	-	-
		3,214		-
Adjusted franking account balance		14,059		15,437

In respect of the financial year ended 30 June 2012, a final dividend of 2.6 cents per share was declared on 22nd August 2012 and will be paid on 19th November 2012.

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Notes to the Financial Statements for the financial year ended 30 June 2012

Note 8: Borrowings

During the year the company reached agreement with the National Australia Bank to extend its debt facility until September 2014. The company will continue to be subject to various covenants including the requirement to repay debt in the event of equity raisings or the disposal of assets in certain circumstances. In addition the company is able to declare a dividend provided the dividend is underwritten or approved by the National Australia Bank.

Note 9: Segment information

The Company's reportable segments under AASB 8 are as follows:

Australia / 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 and includes biological assets income.

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 any share of profits of associates, investment revenue and finance costs, significant items 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.

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Notes to the Financial Statements for the financial year ended 30 June 2012

Note 9: 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 2012 \$'000	Revenue 2011 \$'000	Results 2012 \$'000	Results 2011 \$'000
Australasia / North America packaged	79,371	82,033	6,353	5,694
UK / Europe	97,302	96,811	7,098	5,366
Cellar door	6,913	6,975	885	1,219
Australasia / North America bulk wine and processing	40,550	33,876	7,562	11,762
Vineyards	3,826	3,522	1,466	5,238
Unallocated (a)	-	-	(14,426)	(22,630)
	227,962	223,217	8,938	6,649
Tax income expense			(1,871)	(85)
Net Profit			7,067	6,564

Note : (a) Unallocated result includes interest expense, interest received and significant items (note 4).

Other Segmental Information

	Acquisition of segment assets 2012 \$'000	2011 \$'000	Depn. & amort. of segment assets 2012 \$'000	2011 \$'000
Australasia / North America packaged	1,237	7,813	2,155	2,199
UK / Europe	1,576	10,368	2,764	2,691
Cellar door	207	91	121	111
Australasia / North America bulk wine and processing	1,894	3,623	1,121	820
Vineyards	250	205	740	419
Unallocated	142	234	126	592
Total	5,306	22,334	7,027	6,832

Geographical Segments

	Revenue from customers 2012 \$'000	2011 \$'000	Segment non-current assets (b) 2012 \$'000	2011 \$'000
Australia	99,423	102,981	206,660	203,747
UK / Europe	97,302	96,811	-	-
North America	18,137	11,774	-	-
Other	13,100	11,651	-	-
	227,962	223,217	206,660	208,041

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 \$105.6M (2011 : \$108.7M). Of these sales, \$71.3M (2011 : \$75.8M) is included within the UK / Europe division and \$34.3M (2011 : \$32.9M) is included within the Australasia / North America Packaged division.

Note : (b) Geographical segment non current assets exclude other financial assets and deferred tax assets.

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Notes to the Financial Statements for the financial year ended 30 June 2012

Note 10: Subsequent events

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 11: Assets and liabilities held for sale

During the prior year the company held the Loxton winery for sale. The winery was sold on 12th August 2011.

The relevant assets, and associated liabilities, were recorded as held for sale assets and liabilities in the financial statements of the company until the date of sale.

The sale does not qualify as a discontinued operation.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2012

Note 12: Notes to the statement of cash flow

(a) Reconciliation of cash

For the purposes of the cash flow statement, cash and cash equivalents includes 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 Balance Sheet as follows:

	Consolidated	
	2012 \$'000	2011 \$'000
Cash	237	6,424
(b) Financing Facilities		
Unsecured bank overdraft facility, reviewed annually and payable at call:		
Amount Used	912	837
Amount Unused	4,088	4,163
	5,000	5,000
Reducing lease facility:		
Amount Used	7,838	9,656
Amount Unused	-	-
	7,838	9,656
Unsecured revolving lease facility:		
Amount Used	-	-
Amount Unused	2,000	2,000
	2,000	2,000
Bank Guarantee/Surrender facility:		
Amount Used	2,626	2,601
Amount Unused	8,374	8,399
	11,000	11,000
Corporate purchasing card facility:		
Amount Used	154	8
Amount Unused	346	492
	500	500
Cash advance facility:		
Amount Used	122,000	157,000
Amount Unused	21,600	17,500
	143,600	174,500
Total facility	169,938	202,656

(c) Non-cash financing and investing activities

During the financial year the company issued 3,413,332 (2011 : Nil) ordinary shares for \$961,000 under the 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.

Note 13: Contingent assets and liabilities

There are no contingent assets and liabilities.