



AUSTRALIAN VINTAGE LTD

**Preliminary Final Report of
Australian Vintage Ltd
for the Financial Year Ended 30 June 2009**

(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 2009

Previous Corresponding Period: Financial Year ending 30 June 2008

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Australian Vintage Ltd

Revenue and Net Profit

		Percentage Change %	Amount \$'000
Total operating revenue	Up	8.8	288,308
Net profit before significant items	Down	22.2	4,286
Net loss after significant items			(123,641)

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	2009	-	-	-
	2008	-	-	-
Interim dividend	2009	-	-	-
	2008	-	-	-
Total	2009	-	-	-
	2008	-	-	-

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

	2009 ¢	2008 ¢
Ordinary securities (each class separately)	-	-
Interim and final dividend (distribution) on all securities		
	2009 \$'000	2008 \$'000
Ordinary securities (each class separately)	-	-
Total	-	-

Any other disclosures in relation to dividends (distributions).

None

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
Net Tangible Assets Per Security

N/A

2009
\$

2008
\$

Net tangible assets per security

0.88

2.10

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 Income Statement

For the financial year ended 30 June 2009

	Note	Consolidated	
		2009 \$'000	2008 \$'000
Revenue net of trade discounts and returns	2	288,308	264,980
Cost of sales	2	(227,913)	(203,931)
Cost of sales – prior year international rebate claim	4	-	(658)
Gross Profit		60,395	60,391
Fair value of grapes picked during the financial year less estimated point of sale costs		(1,490)	1,957
Other revenue	2	1,625	1,937
Other income	2	2,092	933
Loss on sales of other property plant and equipment		(64)	(195)
Distribution expenses		(11,992)	(12,091)
Sales and marketing expenses		(25,599)	(25,280)
Administration expenses		(7,795)	(8,399)
Finance costs		(11,320)	(12,434)
Profit on sale of winery assets and investments	4	-	3,054
Onerous contracts provision	4	(73,473)	-
Redundancy costs	4	(2,196)	-
Inventory net realisable value adjustment	4	(74,421)	(1,759)
Impairment of assets / other write downs	4	(35,279)	-
Other revenue - contract settlement proceeds / deposits received	4	12,518	-
Re-organisation of overseas distribution agreements	4	-	(5,056)
Re-organisation of domestic business	4	-	(1,535)
Profit / (Loss) before income tax	2	(166,999)	1,523
Tax income / (expense)		43,358	(179)
Profit / (Loss) for the year		(123,641)	1,344
Earnings Per Share:			
Basic (cents per share)	6	(96.0)	1.0
Diluted (cents per share)	6	(96.0)	1.0

Notes to the financial statements are included on pages 7 to 15.

Australian Vintage Ltd

Consolidated Balance Sheet

For the financial year ended 30 June 2009

	Note	Consolidated	
		2009 \$'000	2008 \$'000
Current Assets			
Cash and cash equivalents		6,182	1,000
Trade and other receivables		71,992	72,487
Inventories		111,272	189,453
Other financial assets		-	1,959
Current tax assets		261	-
Other		2,140	4,543
		191,847	269,442
Non-current assets classified as held for sale	10	34,096	28,844
Total Current Assets		225,943	298,286
Non-Current Assets			
Trade and other receivables		2,954	3,350
Inventories		25,213	55,530
Investments accounted for using the equity method	3	-	1,910
Other financial assets		1,817	5,159
Biological assets		30,233	35,888
Property, plant and equipment		91,934	102,215
Goodwill		36,774	46,800
Other intangible assets		8,645	10,637
Water Licences		8,515	8,326
Deferred tax assets		59,347	18,029
Total Non-Current Assets		265,432	287,844
Total Assets		491,375	586,130
Current Liabilities			
Trade and other payables		53,797	67,610
Borrowings		390	689
Current tax liabilities		95	95
Provisions		26,250	5,384
Other		3,920	9,184
		84,452	82,962
Current liabilities classified as held for sale		601	679
Non-current liabilities classified as held for sale		49	65
Total Current Liabilities		85,102	83,706
Non-Current Liabilities			
Borrowings		151,015	147,740
Deferred tax liabilities		8,642	10,699
Provisions		28,382	690
Total Non-Current Liabilities		188,039	159,129
Total Liabilities		273,141	242,835
Net Assets		218,234	343,295
Equity			
Issued capital	5	401,629	401,629
Reserves		314	1,734
Accumulated losses		(183,709)	(60,068)
Total Equity		218,234	343,295

Notes to the financial statements are included on pages 7 to 15.

Australian Vintage Ltd

Consolidated Cash Flow Statement

For the financial year ended 30 June 2009

	Note	Consolidated	
		2009 \$'000	2008 \$'000
Cash flows from operating activities			
Receipts from customers		310,689	304,495
Payments to suppliers and employees		(279,328)	(281,715)
Interest and other costs of finance paid		(10,596)	(12,523)
Income tax refunded		-	2,190
Interest and bill discounts received		595	710
Payment for temporary water licences		(3,623)	(9,165)
Payments relating to re-organisation of overseas distribution agreements		-	(4,419)
Net cash (used in) / provided by operating activities		17,737	(427)
Cash flows from investing activities			
Payments for property, plant and equipment		(13,814)	(12,104)
Payments for permanent water licences		(324)	(4,902)
Payments for intangibles		(670)	(1,211)
Proceeds from sale of property, plant & equipment		153	16,790
Proceeds from sale of investments		-	1,212
Payments for investments		(151)	(399)
Net cash used in investing activities		(14,806)	(614)
Cash flows from financing activities			
Costs related to issue of securities		-	(834)
Proceeds from borrowings		3,000	-
Repayment of borrowings		(749)	(1,122)
Net cash (used in) / provided by financing activities		2,251	(1,956)
Net increase / (decrease) in cash and cash equivalents		5,182	(2,997)
Cash and cash equivalents at the beginning of the financial year		1,000	3,997
Cash and cash equivalents at the end of the financial year	11	6,182	1,000

Notes to the financial statements are included on pages 7 to 15.

Australian Vintage Ltd

Consolidated Statement of Changes in Equity For the financial year ended 30 June 2009

	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 2007	401,266	1,594	-	-	(61,412)	341,448
Gain on interest rate swaps	-	-	1,409	-	-	1,409
Exchange differences arising on translation of foreign operations	-	-	-	160	-	160
Net income recognised directly in equity	-	-	1,409	160	-	1,569
Profit for the period	-	-	-	-	1,344	1,344
Total recognised income and expense	-	-	1,409	160	1,344	2,913
Recognition of share-based payments	-	188	-	-	-	188
Recognition of share options reserve	-	(1,250)	-	-	-	(1,250)
Transfer from reserves	367	(367)	-	-	-	-
Costs related to the issue of shares	(4)	-	-	-	-	(4)
Balance at 30 June 2008	401,629	165	1,409	160	(60,068)	343,295
Balance at 1 July 2008	401,629	165	1,409	160	(60,068)	343,295
Loss on interest rate swaps	-	-	(2,419)	-	-	(2,419)
Exchange differences arising on translation of foreign operations	-	-	-	82	-	82
Net income recognised directly in equity	-	-	(2,419)	82	-	(2,337)
Loss for the period	-	-	-	-	(123,641)	(123,641)
Total recognised income and expense	-	-	(2,419)	82	(123,641)	(125,978)
Recognition of share-based payments	-	283	-	-	-	283
Recognition of share options reserve	-	634	-	-	-	634
Balance at 30 June 2009	401,629	1,082	(1,010)	242	(183,709)	218,234

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2009

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 2008 full year report other than as listed below.

Standards and Interpretations issued not yet effective

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

Initial application of the following Standards will not affect any of the amounts recognized in the financial report, but will change the disclosures presently made in relation to the Group and Company's financial report:

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 101 'Presentation of Financial Statements' (revised September 2007), AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101', AASB 2007-10 'Further amendments to Australian Accounting Standards arising from AASB 101'	1 July 2009	30 June 2010
AASB 123 'Borrowing Costs' (revised), AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123'	1 January 2009	30 June 2010
AASB 3 'Business Combinations' (revised), AASB 127 'Consolidated and Separate Financial Statements' (revised) and AASB 2008-3 'Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127'	AASB 3 (business combinations occurring after the beginning of annual reporting periods beginning (1 July 2009) AASB 127 and AASB 2008-3 (1 July 2009)	30 June 2010
AASB 2008-1 'Amendments to Australian Accounting Standard - Share-Based payments: Vesting Conditions and Cancellations'	1 January 2009	30 June 2010
AASB 2008-2 'Amendments to Australian Accounting Standard-Putable Financial Instruments and Obligations arising on Liquidation'	1 January 2009	30 June 2010
AASB 2008-5 'Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 January 2009	30 June 2010
AASB 2008-6 'Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project'	1 July 2009	30 June 2010
AASB 2008-7 'Amendments to Australian Accounting Standards - Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate'	1 January 2009	30 June 2010
AASB 2008-8 'Amendments to Australian Accounting Standards Eligible Hedged Items'	1 July 2009	30 June 2010
AASB Interpretation 15 'Agreements for the Construction of Real Estate'	1 January 2009	30 June 2010

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2009

Standard	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB Interpretation 16 Hedges of a Net Investment in a foreign Operation'	1 October 2008	30 June 2010
AASB Interpretation 17 'Distributions of Non-cash Assets to Owners', AASB 2008-13 'Amendments to Australian Accounting Standards arising from AASB Interpretation 17- Distributions of Non-cash Assets to Owners'	1 July 2009	30 June 2010

Critical accounting judgments and key sources of estimation uncertainty

In the application of the group's accounting policies, management is 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 believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. 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. Judgements made by management that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

The following are critical judgments that the company has made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the 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.

In the current period the Group undertook a review of their inventories and estimated a shortfall in net realisable value relative to book value of \$74,421,000 before income tax.

Income tax losses

The company has recognized deferred tax assets in relation to unused tax losses and temporary differences as an asset 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.

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Notes to the Financial Statements for the financial year ended 30 June 2009

Critical accounting judgments 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 have become onerous. The Company is attempting to mitigate the losses associated with the agreements.

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% discount rate) of the expenditures expected to be required to settle the onerous obligations.

The provision has been recorded as a significant item.

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 the calculations requires 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 13.2% (bulk wine business), which indicated that the fair value of assets (including goodwill), based upon discounted cash flows, was lower than the carrying value. The main contributors to the impairment of the cash generating unit were an increase in the discount rate and a reduction of forecast revenue and margins from the cash generating unit.

The carrying value of the brand names have been individually assessed as part of separate cash generating units (CGUs).

Impairment tests were performed on brand names using a discounted cash flow model and a pre-tax discount rate of 17.35% to 20% (branded wine business), resulting in a write down of brand names.

There have been estimations applied to assumptions in the cash flow 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 period ended 30 June 2009. This resulted in a charge against the vines which has been recorded as a significant item.

In determining the fair value of the biological assets, the forecast cash flows from the vineyards have been discounted using a 15% pre-tax discount rate.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 2 Profit / (Loss) from operations

	Consolidated	
	2009	2008
	\$'000	\$'000
(a) Revenue		
Revenue from the sale of goods	260,369	233,420
Revenue from contract processing	14,737	17,442
Revenue from rendering vineyard contract services	13,202	14,118
Total revenue	288,308	264,980
Other Revenue		
Interest revenue	715	821
Rental revenue	91	156
Other	819	960
Total	1,625	1,937
Contract settlement proceeds / deposits received	12,518	-
Total other revenue	14,143	1,937
Other Income		
Foreign exchange gains	2,092	933
(b) Profit / (Loss) before income tax		
Profit / (Loss) before income tax has been arrived at after crediting/(charging) the following gains and losses:		
Loss on disposal of property, plant and equipment	64	195
Foreign exchange losses	-	-
Loss before income tax has been arrived at after charging the following expenses:		
Cost of sales before significant items	227,913	203,391
Onerous contracts provision	73,473	-
Inventory net realisable adjustment	74,421	1,759
Prior year international rebate claim	-	658
Cost of sales after significant items	375,807	205,808
Impairment of property, plant and equipment and other assets	35,279	-
Finance costs:		
Interest on loans	11,264	12,192
Finance lease interest	56	242
	11,320	12,434
Depreciation of non-current assets – charged to cost of sales / inventory	6,118	6,914
Depreciation of non-current assets – other	1,652	2,131
Amortisation of non-current assets	313	241
	8,083	9,286
Operating lease rental expenses (minimum lease payments)	19,935	19,084
(c) Earnings before interest and tax		
Earnings before interest and tax (excluding significant items)	16,457	19,090
Earnings before interest and tax (including significant items)	(156,394)	13,136

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 3: investments accounted for using the equity method

	Consolidated	
	2009 \$'000	2008 \$'000
Investment in associates	-	1,910

(a) Interest in associates

Name of Entity	Principal Activity	Ownership Interest		Consolidated Carrying Amount	
		2009 %	2008 %	2009 \$'000	2008 \$'000
Mangoola Vineyards Pty Ltd	Vineyard Investor	45	45	-	-
Tempus Two Pty Limited *	Winery Ownership	-	50	-	1,910
				-	1,910

Both entities are incorporated in Australia and voting rights equal ownership interest and both have same year ends as the Company.

* The interest in Tempus Two Pty Limited was sold during the year.

Note 4: Significant Items

	Consolidated	
	2009 \$'000	2008 \$'000
<i>During the year Australian Vintage Ltd incurred the following revenue and expenses of a significant and one-off nature:</i>		
Profit before tax on disposal of winery assets and investments	-	3,054
Costs associated with the re-organisation of overseas distribution agreements	-	(5,056)
Prior year international rebate claims ¹	-	(658)
Costs associated with the re-organisation of domestic business	-	(1,535)
Revaluation of biological assets	(9,500)	-
Impairment of property, plant and equipment	(6,709)	-
Impairment of goodwill and other intangibles (Brand Names)	(12,527)	-
Provision for onerous contracts ¹	(73,473)	-
Redundancy costs	(2,196)	-
Inventory net realisable value adjustment ¹	(74,421)	(1,759)
Impairment of non-current investment in associate	(2,033)	-
Allowance for significant doubtful debts	(1,248)	-
Impairment of non-current financial assets	(3,262)	-
Contract settlement proceeds	12,518	-
Significant items before income tax	(172,851)	(5,954)
Tax income on significant items	44,924	1,786
Significant items after income tax benefit	(127,927)	(4,168)

¹ Included in cost of sales in note 2.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 5: Issued capital

	Consolidated	
	2009 \$'000	2008 \$'000
128,509,917 Fully paid ordinary shares (2008: 128,509,917)	401,629	401,629
	\$'000	Number
Fully paid ordinary share capital		
Beginning of financial year	401,629	128,509,917
Issued during the year	-	-
End of financial year	401,629	128,509,917

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore, the company does not have a limited amount of authorised capital and issued shares do not have a par value.

All shares have equal rights to voting and dividends.

Note 6: Earnings per share

	Consolidated	
	2009 Cents Per share	2008 Cents Per share
Basic earnings per share	(96.0)	1.1
Diluted earnings per share	(96.0)	1.0
	\$'000	\$'000
Profit / (Loss) for the year	(123,641)	1,344
	2009 Number of Shares '000	2008 Number of Shares '000
Weighted average number of ordinary shares used in calculating basic earnings per share	128,510	128,444
Dilutive securities:		
Share options (over unissued shares) ¹	-	715
Directors shares (not yet issued) ¹	-	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	128,510	129,159

¹ The options and Directors shares not yet issued are not dilutive as the consolidated entity recorded a net loss and as a result the basic and diluted are the same.

Note 7: Dividends

	Company 2009		Company 2008	
	Cents Per share	Total \$'000	Cents Per share	Total \$'000
Fully paid ordinary shares:				
Interim dividend – franked to 30%	-	-	-	-
Final dividend – franked to 30%	-	-	-	-
Adjusted franking account balance		15,437		15,437

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Notes to the Financial Statements for the financial year ended 30 June 2009

Note 8: Segment information

Business Segments

Segments Revenue, Results, Assets and Liabilities

	Revenue 2009 \$'000	Revenue 2008 \$'000	Results 2009 \$'000	Results 2008 \$'000	Assets 2009 \$'000	Assets 2008 \$'000	Liabilities 2009 \$'000	Liabilities 2008 \$'000
Branded wine division	146,146	141,331	4,605	7,292	69,209	95,385	14,928	22,927
Private Label wine division	38,249	30,305	481	(1,071)	10,632	6,432	797	2,448
Bulk wine and processing	90,711	79,226	9,676	6,830	267,515	366,050	81,589	37,632
Vineyards	13,202	14,118	851	5,119	73,496	86,270	4,558	11,126
Unallocated	-	-	(182,612)	(16,647)	70,523	31,993	171,269	168,702
Total	288,308	264,980	(166,999)	1,523	491,375	586,130	273,141	242,835
Tax income / (expense)			43,358	(179)				
Net Profit/(Loss)			(123,641)	1,344				

Unallocated results include finance costs and significant items.

Unallocated assets include tax related assets.

Unallocated liabilities includes commercial bill facilities utilised in the whole business and tax related liabilities

Other Segmental Information

	Acquisition of segment assets		Depn. & amort. of segment assets		Significant non- cash expenses		Share of Associates Profit/(Loss)		Carrying value of Equity Investments	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Branded wine division	511	2	1,409	1,466	-	-	-	-	-	1,910
Private Label wine division	-	-	-	-	-	-	-	-	-	-
Bulk wine and processing	7,647	10,702	6,004	7,157	-	-	-	-	-	-
Vineyards	5,804	6,243	-	-	-	-	-	-	-	-
Unallocated	847	1,298	670	663	(172,851)	(5,954)	-	-	-	-
Total	14,809	18,245	8,083	9,286	(172,851)	(5,954)	-	-	-	1,910

Geographical Segments

	Revenue from customers		Segment assets		Acquisition of segment assets	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Australia	134,112	131,771	449,160	547,994	14,809	18,245
UK / Europe	113,872	108,728	32,988	31,785	-	-
North America	26,706	13,960	5,545	3,080	-	-
Other *	13,618	10,521	3,682	3,271	-	-
Total	288,308	264,980	491,375	586,130	14,809	18,245

* Other includes Asia and New Zealand.

Products and Services within each Business Segment

Branded wine division	<ul style="list-style-type: none"> Sale of branded bottled and cask wine throughout Australia and overseas.
Private Label wine division	<ul style="list-style-type: none"> Sale of private label bottled and cask wine throughout Australia and overseas.
Bulk wine & processing	<ul style="list-style-type: none"> Sale of bulk wine and concentrate within Australia. Provision of contract processing services within Australia.
Vineyards	<ul style="list-style-type: none"> Contract management and development of vineyards. Profit on owned vineyards.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 9: Subsequent events

The company has sold its Cowra vineyard in August 2009 for \$1.5m. The water entitlements attached to the vineyard were not part of the sale and the company intends to sell these in due course.

There have been no other 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 10: Assets and liabilities held for sale

During the year the proposed purchaser of the Loxton winery failed to settle the transaction. The company is pursuing alternative buyers of the winery.

In December 2008, the company closed its winery at Lenswood in the Adelaide Hills. The company has made available for sale this winery and the adjacent vineyard.

The company has also sold its Cowra vineyard in August 2009 for \$1.5m. The water entitlements attached to the vineyard were not part of the sale and the company intends to sell these in due course.

All the above assets, and associated liabilities, have been recorded as held for sale assets in the financial statements as the company is committed to the sale of these assets.

None of the proposed sales of the assets above qualify as a discontinued operation.

Australian Vintage Ltd

Notes to the Financial Statements for the financial year ended 30 June 2009

Note 11: 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	
	2009 \$'000	2008 \$'000
Cash	6,182	1,000
(b) Financing Facilities		
Unsecured bank overdraft facility, reviewed annually and payable at call:		
Amount Used	-	1,051
Amount Unused	5,000	3,949
	5,000	5,000
Unsecured revolving lease facility:		
Amount Used	-	-
Amount Unused	2,000	2,000
	2,000	2,000
Bank Guarantee/Surrender facility:		
Amount Used	3,210	3,358
Amount Unused	7,790	4,142
	11,000	7,500
Corporate purchasing card facility:		
Amount Used	96	3
Amount Unused	404	497
	500	500
Unsecured bill acceptance facility:		
Amount Used	152,000	149,000
Amount Unused	34,500	41,000
	186,500	190,000
Total facility	205,000	205,000

(c) Non-cash financing and investing activities

Under the Dividend Reinvestment Plan, there were no shares issued during the year ending 30 June 2009.

(d) Business acquired

During the financial year there were no businesses acquired.

Note 12: Contingent liabilities

There are no contingent assets and liabilities.