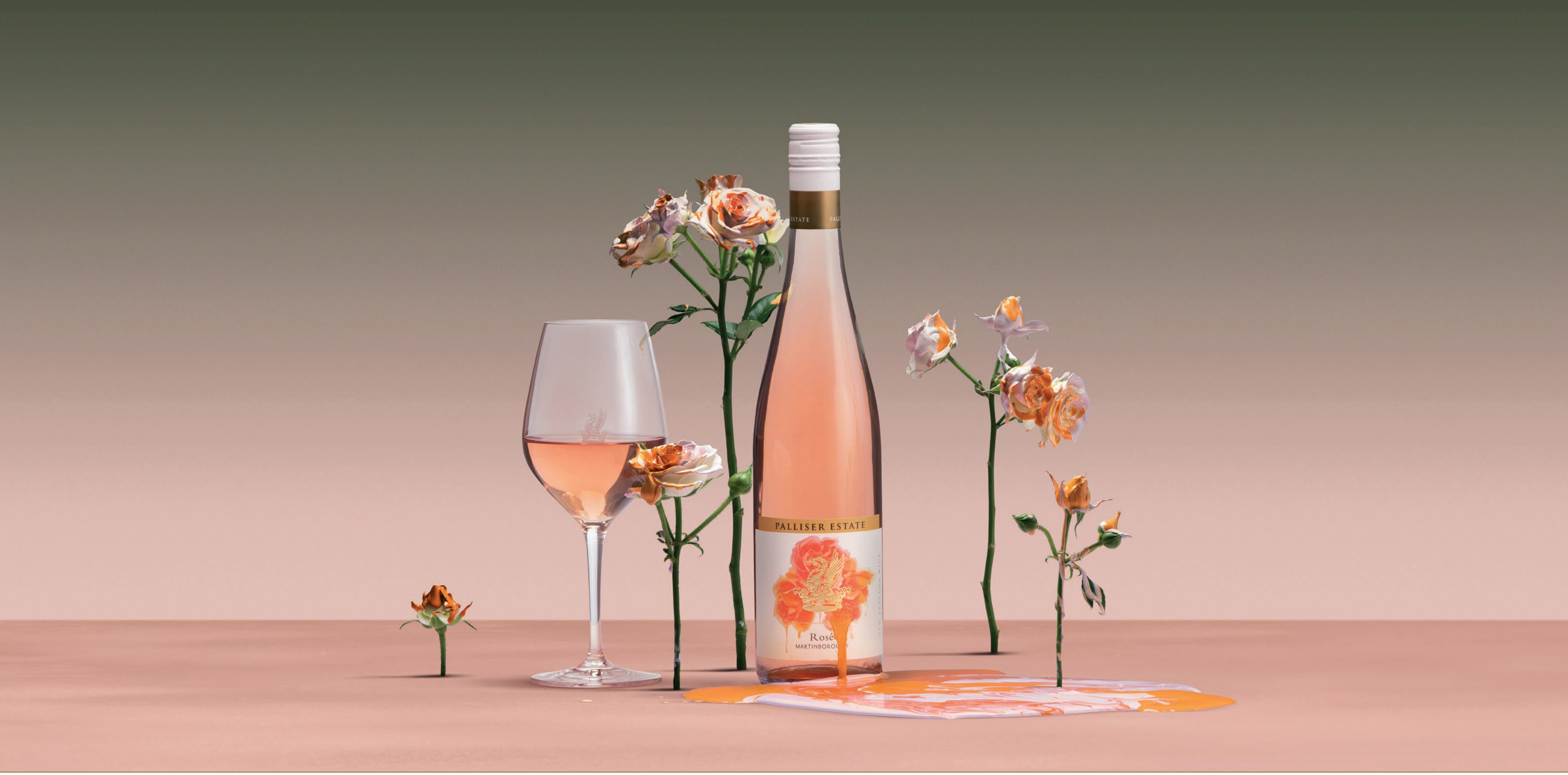


PALLISER ESTATE

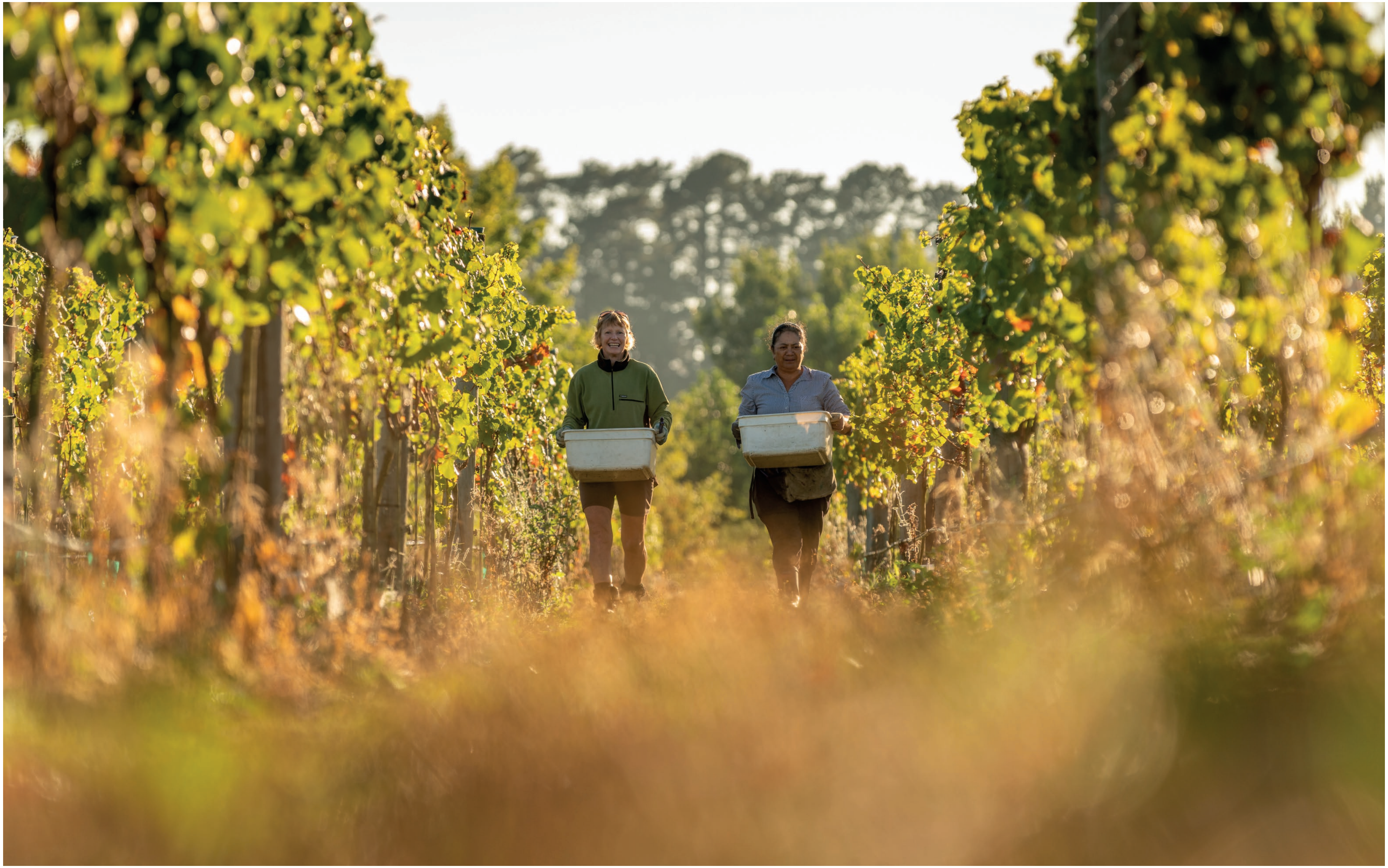
ANNUAL REPORT YEAR ENDING 30 JUNE 2021

Directory

Directors	A R Meehan, ONZM, Chairman S R Tyler J D Auld S L Meikle
Chief Executive Officer	P M Goodwin
Winemaker and Viticulturalist	M G D McMaster
Share Registry	Computershare Investor Services Limited Level 2, 159 Hurstmere Road Takapuna, Auckland 0622
Registered Office and Address for Service	Lawson Avery Limited Chartered Accountants 11 Cole Street PO Box 145 Masterton 5810
Banker	ANZ
Auditor	Grant Thornton New Zealand Audit Limited
Solicitor	Morrison Kent

Contents

Index for Notes to Financial Statements


Christine Voelkering and Rachael Hislop, Vineyard Team

FINANCIALS

Revenue:	$5.1m	▲	27% 2020
Gross Profit:	$1.4m	▲	19% 2020
Operating Profit:	$404k	▲	5% 2020

SALES

Domestic			Export		
18,257 cases	▲	35%	16,063 cases	▲	3%
$3.1m	▲	41%	$1.7m	=	NC

SALES BY MARKET

29%	NZ Negociants	$1.4m	28%	▲		3%	UK	$0.15m	44%	▼
34%	NZ Direct	$1.7m	55%	▲		5%	South Korea	$0.23m	149%	▲
9%	Australia Negociants	$0.43m	22%	▲		6%	USA	$0.27m	15%	▼

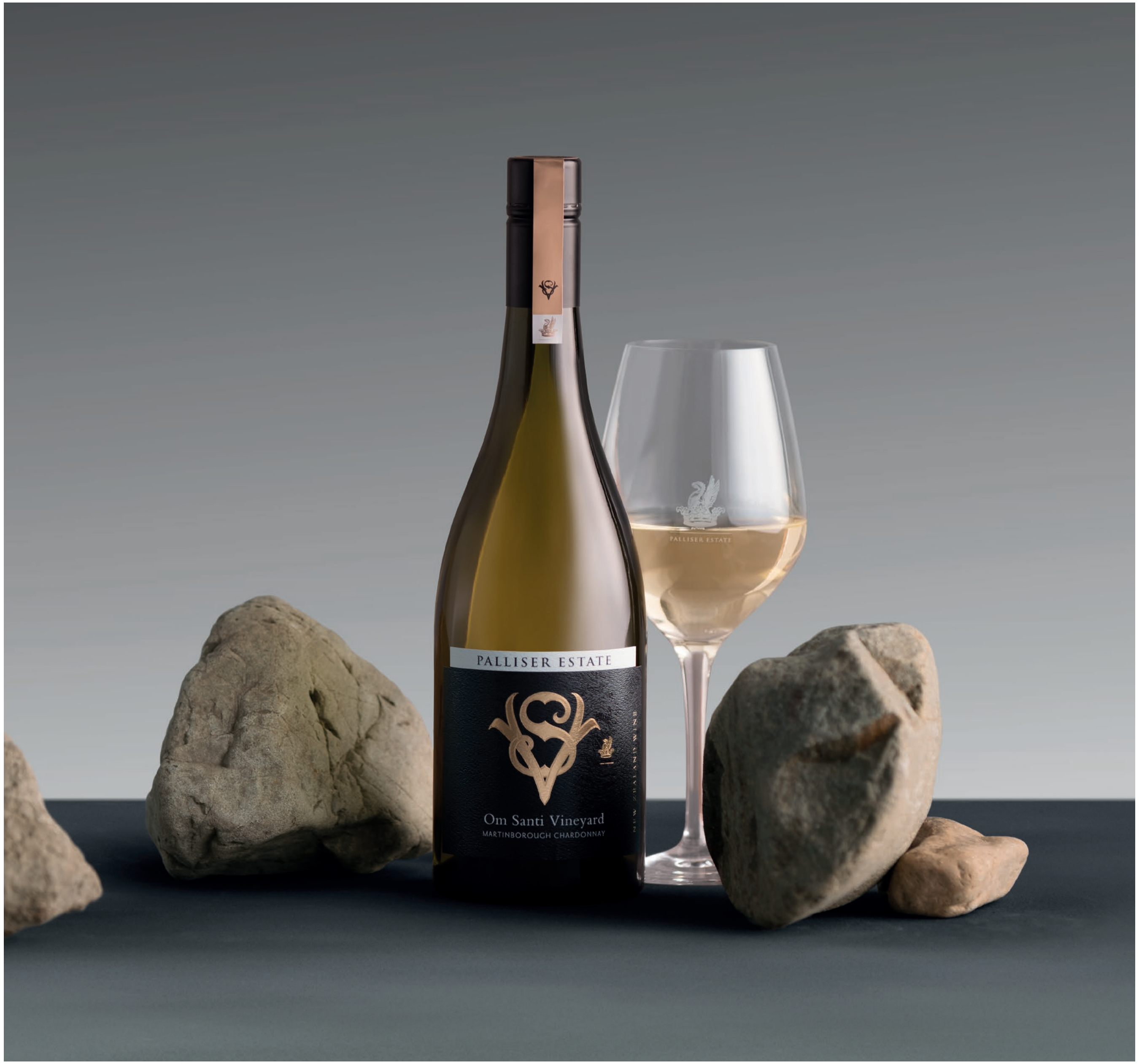
2021 VINTAGE BREAKDOWN

332 Tonnes 31% ▼ 24,666 cases

Riesling	11T	664 cases	3%
Pinot Gris	27T	1,825 cases	7%
Chardonnay	46T	2,800 cases	11%
Pinot Noir	107T	5,407 cases	22%
Sauvignon Blanc	141T	11,165 cases	45%
Bubbly		847 cases	4%
Rosé		1,958 cases	8%

"Very complex, mineral and fruit centric bouquet with layers of wood spice, wild flowers with a sense of place and time"

— Cameron Douglas MS



Directors' and Chief Executive's Report for the Year Ended 30 June 2021

Your Directors are pleased to present the annual report for Palliser Estate Wines of Martinborough Ltd, which includes the company's financial statements for the year ended 30 June 2021.

FINANCIAL PERFORMANCE

2020/21 was the first full financial year affected by the global COVID-19 pandemic and the uncertainties it imposed (and continues to impose) on trade, the supply chain and numerous other aspects of our business.

Given the ups and downs of this environment, we're pleased to announce that Palliser had a solid year, with revenue up 27% and a profit (before tax and grape fair value changes) of $403,835. However, while this was higher than in 2019/20 and the targets we set, the low harvest yields in 2021 led to a significant write-down on the fair value of the fruit (as required under International Financial Reporting Standard 2 the stock on hand needs to be valued at the lower of cost and market value). Unfortunately the write-down was beyond our control, and it reduced our total income for the year to $163,037 (down on the 2019/20 results).

But overall we're pleased with the results, as they highlight the value of the strategy we launched five years ago. This led us to focus on direct sales, which increased by 55% in 2020/2021 and made a significant contribution to our profit. And while we have yet to achieve our original target of a 5% return on investment (largely due to the extreme global shock that also was beyond our control), Palliser has continued to grow and evolve – unlike many others in our industry who have struggled to weather the storms.

HIGHLIGHTS THIS YEAR

- Profit before tax and fair value adjustments was $403,835, up 5% on 2020.
- Cellar Door sales were up 106%, reflecting the domestic tourism boom in Martinborough after the COVID-19 lockdown in 2020.
- Our successful restaurant venture – 'Egmont at Palliser' – contributed to the increase in Cellar Door sales.
- Direct sales (excluding Cellar Door) were up 29%.
- Ratings of our Single Vineyard wines and 2019 Estate Pinot Noir and Chardonnay were consistently 92+.
- A 'Taste of Toast' event replaced the cancelled Toast Martinborough 2020.
- We held Friday sunset evenings during March 2021.

Directors' and Chief Executive's Report for the Year Ended 30 June 2021 *cont.*

- The 'Three White Rabbits' wine at Cellar Door sold out within a month.
- We implemented a new 'customer relationship management' (CRM) system.
- Shareholder purchases were up 29% thanks to increased shareholder buy-in, engagement and communication.
- Estate Club membership increased by 238%.
- We increased our per-case price by $1 to $145 (the price has increased by $35 since 2015).
- Our Om Santi vineyard was awarded BioGrow organic certification. Three of our six vineyards are now fully certified, with a further 10 hectares under organic management. Plans are on track for all vineyards to be certified by 2025.
- Vineyard expenses were below budget, despite higher wage rates, more spray requirements and increases in repair and maintenance costs.
- We held a Staff Health & Wellbeing Day and a Wellington trade day.
- We're proud of our record for key staff retention, our great team and our great team culture.

A STRATEGY AND FOCUS FOR THE FUTURE

At the beginning of our rebuilding journey in 2016, we developed a clear strategy to increase our profitability and brand image. We're proud to say that we've achieved a lot of the objectives set and made significant progress in increasing our value with a focus on refreshing the business. That refresh has included:

- rebranding of our packaging
- refurbishing Cellar Door and extending it to offer a restaurant service
- increasing our focus on fruit quality and the resulting wines (including the introduction of a Single Vineyard range)
- making changes to the winemaking team and our winemaking philosophy
- changing our viticultural practices, such as through our conversion to organic management
- making changes to the team and improving our team culture
- revitalising our website and implementing a CRM system
- appointing a new sales team and updating our sales strategy (including a focus on direct sales)
- investing more on our brand in general.

Directors' and Chief Executive's Report for the Year Ended 30 June 2021 *cont.*

Meanwhile, changes beyond our control have affected our progress towards increasing value. These have included:

- a continuing rise in the costs of production
- a fall in global wine consumption
- an increased focus on people's health and wellbeing and environmental issues
- fluctuating harvest yields
- changes in the way consumers buy from and communicate with brands
- most significantly, the global COVID-19 pandemic, which has dramatically changed the ways we do business, live our lives and consume.

Given these changes in the world and the environment in which we operate, we recognise that we too need to change. So we've reviewed our strategy and developed a new five-year plan to help us deliver on our mission of being 'an iconic business – revered in New Zealand and beyond'. Having successfully refreshed the business, we're now committed to building on this strong foundation and focusing on growth.

LOOKING AHEAD

Our priority for 2021/22 is to secure a new market and/or channel opportunity for our Estate wines, which could involve investing in an additional sales resource. We will also continue to focus on growth in direct sales, which will include investing in our Cellar Door offering with a kitchen upgrade and expanded outdoor dining facilities. We believe that, if we can secure the new market or channel and increase our direct sales by another 30%, we'll be on our way to achieving our growth targets.

With this in mind, we're forecasting revenue of $5.7 million, a 25% increase in profitability and capital expenditure of $0.5 million.

2021 VINTAGE REPORT

The 2021 harvest's start and finish dates were the earliest in Palliser's history of 32 harvests: the process began on 25 February and the final pick was made on 30 March. This reflected unsettled conditions, cool temperatures and unusually high rainfall in November and December, then dry and moderate temperatures that caused all fruit varieties to ripen sooner than previously and condensed the harvest period. The situation was exacerbated by a significant drop in yield, which meant less fruit on the vines to ripen. All New Zealand's wine regions experienced this phenomenon.

Directors' and Chief Executive's Report for the Year Ended 30 June 2021 *cont.*

In total, our yield was 332 tonnes, down 31% on 2020 and 37% on long-term averages. It was the third-lowest harvest from our own vineyards in the previous 18 years.

The varieties most affected were Pinot Noir (down 47% on 2020 and 37% on long-term averages) and Pinot Gris (down 42% and 21% respectively). It should be noted that this percentage reduction was consistent with those of others in our region and nationwide. If anything, we did slightly better than most.

Given all this change, we were thrilled when Guy McMaster, our Winemaker and Viticulturist, announced that the fruit quality was very high in all varietals and he was delighted with the resulting wines. It always seems to be the way that when wine is of great quality, we don't have enough of it to sell – but it's something the entire industry is grappling with.

This nationwide lack of supply is expected to result in price increases for the 2021 wines. We have already raised ours in line with our long-term strategy to achieve an average case price above $150, and to help compensate for the higher cost of goods caused by these low yields. We'll be carefully managing allocations in the coming year and praying for a better yield in 2022. If not, supply could become a real issue, especially with Pinot Noir and, ironically, Sauvignon Blanc.

HEALTH AND SAFETY

Palliser's Directors and Chief Executive (as Officers under the Health and Safety at Work Act 2015) are committed to the health and safety of our employees, contractors and visitors. With this in mind we've implemented a number of procedures to meet our obligations under the Act and operate a continual improvement and monitoring system. We've also implemented robust rules and procedures to ensure our staff remain safe in the COVID-19 environment, including providing support and a focus on mental wellbeing.

We're proud to have a culture in which health and safety is a key focus and engrained in what we do. We can report there were no health and safety incidents during the year.

DIVIDENDS AND SHARE LIQUIDITY

Having paid no dividends in 2020/21, a dividend of 5 cents per share was paid on 7 July 2021, with the Board advising that any further dividend decision would be delayed until the first quarter of the new financial year. This was considered a prudent decision given the operating environment and the capital investment required in the next few years.

Directors' and Chief Executive's Report for the Year Ended 30 June 2021 *cont.*

Trading in Palliser shares has increased in the past year, in line with the decrease in the minimum shareholding, from 5,000 to 1,000 shares. A number of the shares have been traded through the Unlisted platform, but most have been via off-trade deals. We currently have a waiting list for shares, so encourage anyone wanting to sell to either use Unlisted or get in touch with Pip Goodwin.

As the past few extraordinary years have taught us, our shareholder network is a huge part of Palliser's strength. We plan to continue growing the network and to keep you more informed on and involved with the happenings here at Palliser. A shareholder pack that outlines how you can make the most of your Palliser shareholder status through exclusive access to our wines, hospitality at Cellar Door and special shareholder events has been sent out. Please contact us if you have not received yours.

DIRECTORS

In accordance with the company's constitution, Director Simon Tyler retires by rotation and, being eligible, offers himself for re-election to the Board.

OUR THANKS TO THE TEAM

Once again, we thank all our loyal shareholders, our small, dedicated team and all the Board members for their support and ongoing service during a year in which the world changed significantly.

We're frustrated that events beyond our control have derailed our progress somewhat, but we believe Palliser is in a good position. It's time for us to be bold, invest in our future sustainability and meet our value and growth targets.

All going well on the COVID-19 front, we hope to see you at the AGM, at 11am on Sunday 7 November 2021.

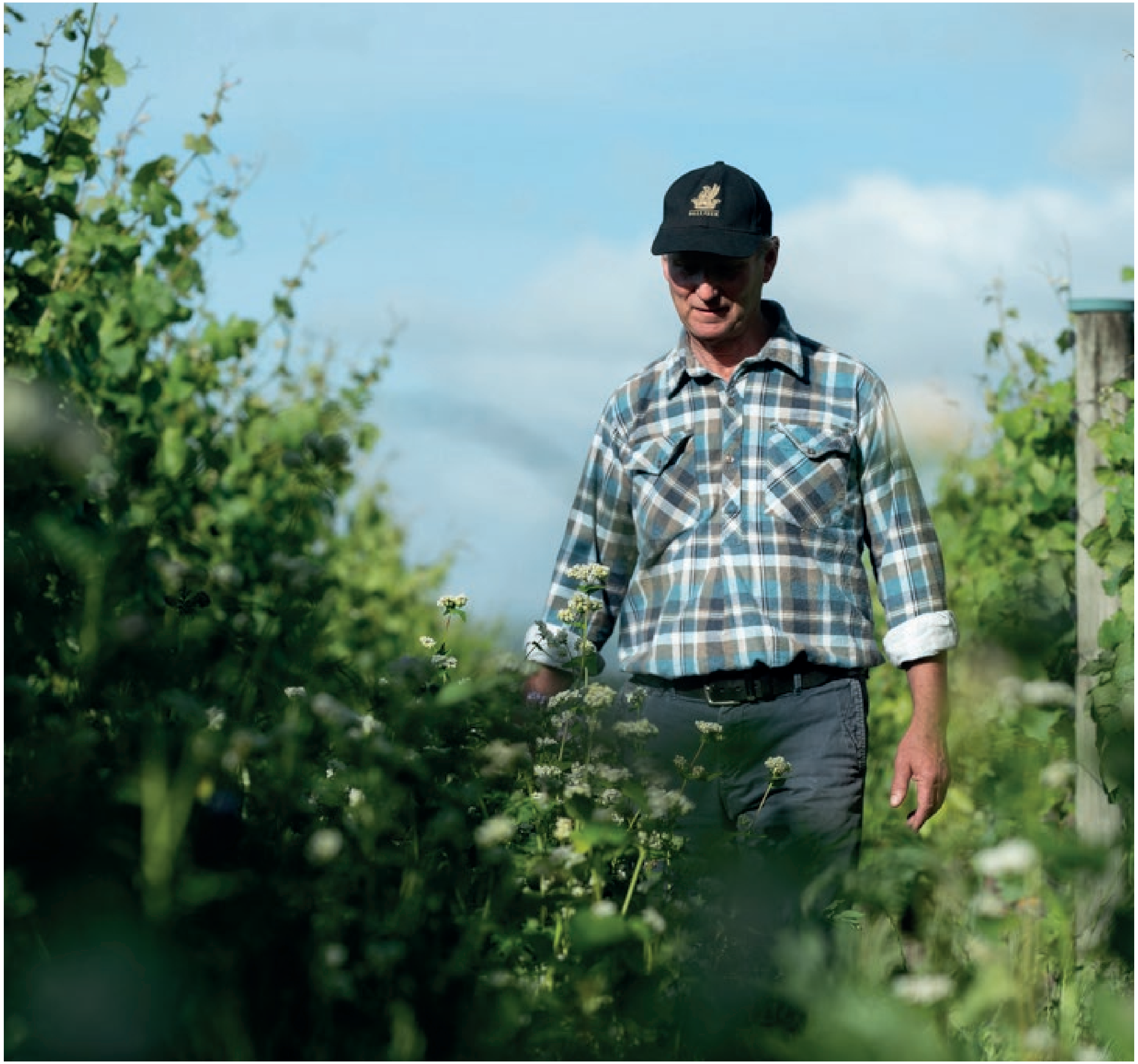
For, and on behalf of, the Board

Andrew Meehan ONZM
Chairman

Pip Goodwin
Chief Executive

“Organic farming was non-negotiable as that gives integrity to expression of site, season and soul”

— Guy McMaster



Viticulture and Winemaking Report for the Year ended 30 June 2021

Palliser's 2021 wine-growing season will be remembered on three counts: it was our earliest and our fastest and it delivered our third-to-lowest yield in our history. The culprit was the cool, damp weather in the key weeks of flowering and, ironically, conditions in the second half of the season that were near perfect. The result was fantastic fruit – particularly in the whites – but just not enough of it.

There were nine frost scares in the region, with the last one causing some damage. However, Palliser came out of it relatively well in losing only an estimated 0.5% of our potential crop. Wet and cool growing conditions up until Christmas did the damage to potential crop levels, while fuel, spraying and labour costs rose well above average levels as we tried to combat the vigorous grass and vine growth and keep disease levels under control. The positive news was that, despite the increased disease pressure, the organic spray regime was as robust as the conventional.

The flowering-to-harvest timeframe was slashed from the normal 115 days to a record 96, which meant the main harvest began on 3 March – the earliest in our history. The settled weather enabled us to pick on perfect ripeness, with the fruit for the whites in great condition. Unfortunately the poor flowering resulted in very low bunch weights for the Pinot Noir, with a high percentage of small, desiccated berries. These berries can compromise wine quality, but our recent investment in a new de-stemmer meant we could largely mitigate this.

In total we processed 332 tonnes of grapes, 31% down on 2020. The vintage in the wider Wairarapa region was down 30% against long-term averages, while Nelson saw a decline of 33%, Marlborough 21% and North Canterbury 26%. Pinot Noir and Pinot Gris were the most severely affected in Wairarapa, with regional reductions of 52% and 45% respectively compared to 2020.

All the 2021 wines are of outstanding quality, especially the Chardonnay, which has produced wines of elegance, complexity and texture. The aromatic whites are strong, displaying good fruit purity, and the Sauvignon Blanc leaps out of the glass, bursting with capsicum and tropical notes. The Rosé has received wonderful feedback on tasting from the trade and consumers alike, and 'The Griffin' and 'The Rose' show a lovely minerality and elegance that bodes well for their future.

Financially, the vineyard had another good year, operating slightly under budget despite increased expenditure on fuel, sprays and labour brought about by the wet November and December.

Viticulture and Winemaking Report for the Year Ended 30 June 2021 *cont.*

We planted Syrah in our Pinnacles vineyard in 2021, which was very exciting. We believe that, with global warming indicating ever earlier harvests, this variety has an exciting future in Martinborough.

We also continued implementing our strategy to improve the quality of our Estate Range and Single Vineyard wines. This was greatly aided by the wine-making equipment in which Palliser has invested for the past three years, including another custom-made pinot fermenter. Recent reviews of these wines have justified our efforts:

Wine Writer	Estate Chardonnay 19	Estate Pinot Noir 19	Hua Nui Pinot Noir 19
Bob Campbell	95	93	96
Michael Cooper	95	94	96
Cameron Douglas	95	95	96
Sam Kim	95	95	96

The 2019 Om Santi Chardonnay sold out so quickly there wasn't time for it to be reviewed, and Michael Cooper selected the Hua Nui Pinot Noir 2019 for showcasing in the New Zealand Listener September 2021 edition as one of the best wines available at over $75. We're delighted with these results, as they indicate the hard work is paying off.

In other news:

- The community vegetable garden in the Clouston Vineyard, which is managed by our vineyard team, continued to provide vegetables to all our staff. The excess was gifted to the Martinborough community vegetable stand.
- We continued to plant native trees and flaxes in the wetland area at the northern boundary of the Hua Nui vineyard. This work has seen a noticeable increase in biodiversity and bird life.
- We welcomed a new assistant winemaker, Ben McNabb. Ben replaced Haidee Johnson, who was loving motherhood so much that she didn't return from maternity leave. Haidee had done a wonderful job in setting up new systems in the winery, and Ben has taken these to a new level, integrating Vinsight, our winery records system, with Xero, our accounting package. Ben was previously the assistant winemaker at Matahiwi in Masterton, after participating in numerous vintages in Oregon, USA. He was runner up in New Zealand's Young Winemaker of the Year competition in 2020 and hopes to go one better this year. He has recently been appointed to the Wairarapa Winegrowers Committee.

Viticulture and Winemaking Report for the Year Ended 30 June 2021 *cont.*

Our Vision

The Winery, Om Santi and Hua Nui vineyards are fully certified organic, and the conversion to organic of part of the Pencarrow vineyard began this year. In total, 35% of our vineyard area is managed organically.

We're proposing to bring the balance of the Pencarrow vineyard into organic management in the 2022 year, and this would just leave Clouston and Pinnacles farmed conventionally. Resources permitting, we hope to fast-track Clouston and Pinnacles into organic management in 2022 as well, meaning all wines produced at Palliser in the 2025 vintage could be certified organic. This would make Palliser one of the leaders in organic wine production in New Zealand.

We believe that farming organically will help us on our journey to producing iconic wines while regenerating our ecosystem. It will require a greater investment in machinery, people and our soil, and permanent swards full of legumes, grasses and flowers will have to be sowed in our vineyards to lift carbon levels, improve soil structure and increase biological life. Artificial fertilisers, herbicides, pesticides and systemic fungicides will disappear. What a wonderful journey to be part of.

In the winery we will continue to pursue excellence while pushing the boundaries. In 2020 we made a single vineyard field blend (unrefined and unfiltered) of three white varieties, aptly named 'Three White Rabbits', from our Om Santi vineyard. The wine was only available through Cellar Door and sold out in record time. We have another treat in store from the 2021 vintage, named 'The Lonely Rabbit', which will remain a mystery until it's released. And even further ahead, an organic wine with no additions and that includes sulphites is under discussion for the 2022 Vintage. Exciting stuff!

It's been, as they say, an interesting year. Special thanks go to the vineyard and winery team for all their hard work and to Pip Goodwin and the Board for their continued support.

Guy McMaster
Winemaker and Viticulturalist

Ben McNabb, Assistant Winemaker

Independent Auditor's Report

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To the Shareholders of Palliser Estate Wines of Martinborough Limited

Report on the Audit of the Financial Statements

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Palliser Estate Wines of Martinborough Limited ("the Company") on pages 22 to 58 which comprise the statement of financial position as at 30 June 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 30 June 2021 and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) issued by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our firm carries out other assignments for the Company in the area of related assurance services. The provision of these services has not impaired our independence as auditor of the Company. The firm has no other interest in the Company.

Independent Auditor's Report

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Why the audit matter is significant	How our audit addressed the Key Audit Matter
Vines Valuation In the application of NZ IFRS, 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 various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. The estimates and underlying assumptions are reviewed on an ongoing basis. As at 30 June 2021, Vines (grape vine biological bearer plants) within Property, Plant and Equipment is carried at fair value of $3.28 million. The valuation was performed by an independent registered valuer. There are a number of matters that can have a material impact on the value of vines in the financial statements, principally: • Valuations may not be performed by qualified and experienced commercial property valuers; • The methods and assumptions used by the property valuers, may not be considered appropriate. • The calculation of the fair value amount, as well as the fair value adjustment for the year may not be correct; and • The data provided to the property valuer may not be appropriate.	We have: • Obtained and agreed the carrying value of vines to the independent valuation report, performed by valuation expert. • Evaluated the qualifications and work of the valuation expert, • Inquired about and documented the methods and assumptions used by the expert and considered the appropriateness of those assumptions and methods used. • Confirmed the property valuation was performed in accordance with appropriate accounting standards for use in determining the carrying value of vines as at 30 June 2021. • Recalculated the fair value adjustment to be recorded for the year as at 30 June 2021. • Tested appropriateness of data provided to the expert. • Ensured costs capitalised during the period at reporting date including any estimation or judgements by management are reasonable and appropriate for reporting purposes. • Considered the adequacy of the disclosures made in Note 2 Critical Estimates and Judgements and Note 11 and 12 Property Plant and Equipment, Biological assets, and Note 19 Financial instruments to the financial statements, which sets out the key judgements and estimates including valuation techniques and significant inputs applied to determine fair value of the vines.

Independent Auditor's Report

Other Information

The Directors are responsible for the other information in the Annual Report. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the Financial Statements

The Directors are responsible on behalf of the Company for the preparation and fair presentation of the financial statements in accordance with NZ IFRS issued by the New Zealand Accounting Standards Board, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible on behalf of the company for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the External Reporting Board's website at: https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-4/

Independent Auditor’s Report

Restriction on use of our report

This report is made solely to the Company’s shareholders, as a body. Our audit work has been undertaken so that we might state to the shareholders, as a body those matters which 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 shareholders, as a body, for our audit work, for this report or for the opinion we have formed.

Grant Thornton New Zealand Audit Limited

Grant Thornton

K Price
Partner
Auckland

Date 1 October 2021

Statement of Comprehensive Income for the Year Ended 30 June 2021

This statement is to be read in conjunction with the notes on pages 29 to 58.

	2021 $	2020 $
Revenue (Note 3)	5,066,965	3,994,509
Cost of Sales	3,720,960	2,833,709
Gross Profit	1,346,004	1,160,800
Covid 19 wage subsidy	73,096	116,674
Other Income (Note 4)	229,095	297,812
	1,648,196	1,575,286
Less Expenses:		
Administration and Marketing	1,069,192	1,016,582
Other	175,169	174,852
Operating Expenses (Note 5)	1,244,361	1,191,434
Operating Profit	403,835	383,852
Fair Value Grape Write Up/(Down)	(268,639)	34,812
Profit Before Taxation	135,196	418,664
Income Tax Expense (Note 6)	(27,841)	(458,412)
Profit/(Loss) for the Year Attributable to Owners of the Company	163,037	877,076
Other Comprehensive income that may subsequently be classified to the Profit or Loss		
Revaluation gain/(loss)	(139,901)	-
Total Comprehensive Income/(Loss) for the Year Attributable to Owners of the Company	23,136	877,076
Earnings per share (Note 7)		
Basic and fully diluted earnings per share (cents)	0.55	20.80

Statement of Changes in Equity for the Year Ended 30 June 2021

This statement is to be read in conjunction with the notes on pages 29 to 58.

	Share Capital $	Retained Earnings $	Revaluation Reserve $	Total Equity $
Balance 1 July 2019	6,491,435	7,910,063	198,364	14,599,862
Profit/(Loss) for the year	-	877,076	-	877,076
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income/(Loss) for the Year	-	877,076	-	877,076
Transactions with Owners of the Company				
Dividends Paid (Note 27)	-	(842,052)	-	(842,052)
Total Contributions by and Distributed to Owners of the Company	-	(842,052)	-	(842,052)
Share Capital paid	-	-	-	-
Balance 30 June 2020 (Note 16)	6,491,435	7,945,087	198,364	14,634,886
Balance 1 July 2020	6,491,435	7,945,087	198,364	14,634,886
Profit/(Loss) for the year	-	163,037	-	163,037
Other Comprehensive Income	-	-	(139,901)	(139,901)
Total Comprehensive Income/(Loss) for the Year	-	163,037	(139,901)	23,136
Transactions with Owners of the Company				
Adjustment for Prior Year		(14,104)		(14,104)
Dividends Paid (Note 27)	-	(214,378)	-	(214,378)
Total Contributions by and Distributed to Owners of the Company	-	(228,483)	-	(228,483)
Share Capital paid	-	-	-	-
Balance 30 June 2021 (Note 16)	6,491,435	7,879,641	58,463	14,429,539

Statement of Financial Position as at 30 June 2021

This statement is to be read in conjunction with the notes on pages 29 to 58.

	2021 $	2020 $
Current Assets		
Cash and Cash Equivalents	773,202	603,606
GST Refund Due	-	17,011
Trade and Other Receivables (Note 8)	744,657	533,174
Forward Currency Contracts (Note 9)	-	4,171
Work in Progress	97,077	98,756
Stock on Hand (Note 10)	3,628,829	3,790,712
	5,243,766	5,047,430
Non Current Assets		
Trade and Other Receivables (Note 8)	6,058	8,823
Property, Plant and Equipment (Note 11)	10,937,760	11,062,825
Intangible Assets (Note 13)	62,677	56,247
Investments	7,039	6,868
	11,013,534	11,134,763
Total Assets	16,257,299	16,182,193

Continued next page...

Statement of Financial Position as at 30 June 2021 *cont.*

This statement is to be read in conjunction with the notes on pages 29 to 58.

	2021 $	2020 $
Current Liabilities		
GST Payable	17,120	-
Forward Currency Contracts (Note 9)	2,392	-
Trade and Other Payables (Note 14)	793,934	462,574
Current Portion Term Loans (Note 15)	1,780	4,375
Tax Payment Due	92,462	467
	907,687	467,416
Non Current Liabilities		
Term Loans (Note 15)	305	2,085
Deferred Tax (Note 6)	919,768	1,077,806
	920,073	1,079,891
Total Liabilities	1,827,760	1,547,307
Equity		
Share Capital (Note 16)	6,491,435	6,491,435
Retained Earnings	7,879,641	7,945,087
Revaluation Reserve	58,463	198,364
Total Equity	14,429,539	14,634,886
Total Liabilities & Equity	16,257,299	16,182,193

Director
A R Meehan

Director
S R Tyler

The Board of Directors of Palliser Estate Wines of Martinborough Limited authorised these financial statements on 1 October 2021.

Statement of Cashflows for the Year Ended 30 June 2021

This statement is to be read in conjunction with the notes on pages 29 to 58.

	2021 $	2020 $
Cash Flows From Operating Activities		
Cash was received from:		
Receipts from customers	4,855,378	4,307,541
Interest received	477	4,112
Dividend received	-	29,851
Sundry receipts	301,714	354,728
GST received	34,131	12,876
	5,191,700	4,709,108
Cash was applied to:		
Payments to suppliers and employees	(4,621,651)	(4,212,479)
Income tax paid	(52,308)	(25,107)
Interest paid	-	1
	(4,673,959)	(4,237,585)
Net Cash from Operating Activities	517,741	471,523
Cash Flows From Investing Activities		
Cash was received from:		
Matured Term deposit	-	636,363
Disposal of Property, Plant and Equipment	-	57,474
	-	693,837
Cash was applied to:		
Purchases of Property, Plant and Equipment	(320,790)	(352,929)
Purchases of intangible assets	(17,222)	(1,355)
Purchases of investments	(8,625)	-
	(346,637)	(354,284)
Net Cash from/(to) Investing Activities	(346,637)	339,553

Continued next page...

Statement of Cashflows for the Year Ended 30 June 2021 *cont.*

This statement is to be read in conjunction with the notes on pages 29 to 58.

	2021 $	2020 $
Cash Flows From Financing Activities		
Cash was received from:		
Employee loans repaid	2,868	3,785
Term loan advanced	-	9,669
	2,868	13,454
Cash was applied to:		
Term loan repaid	(4,375)	(3,205)
Dividend paid	-	(842,052)
	(4,375)	(845,257)
Net Cash from/(to) Financing Activities	(1,507)	(831,803)
Cash Surplus/(Deficit) for the year	169,596	(20,727)
Represented By:		
Opening cash and cash equivalents	603,606	624,333
Closing cash and cash equivalents	773,202	603,606
Movement for the year	169,596	(20,727)

Continued next page...

Statement of Cashflows for the Year Ended 30 June 2021 *cont.*

This statement is to be read in conjunction with the notes on pages 29 to 58.

	2021 $	2020 $
Reconciliation of Surplus after Taxation to Cash Flow from Operating Activities		
Total Comprehensive Income for the Year	23,136	877,076
Plus Non-Cash Items		
Depreciation & Amortisation	325,372	293,424
Disposal of Vines	-	31,605
Change in Fair Value of Vines	139,901	-
	488,409	1,202,105
Add/(Deduct) Movement in Working Capital		
(Increase)/Decrease in GST	34,131	(3,929)
Decrease/(Increase) in prepaid expenses	(567)	1,328
Decrease/(Increase) in trade and other receivables	(203,943)	351,337
(Increase)/Decrease in forward currency contracts	6,563	818
Decrease/(Increase) in stock & WIP	163,562	(577,688)
Increase/(Decrease) in trade and other payables	95,629	(40,724)
Decrease/(Increase) in provision for tax	(66,043)	(483,520)
	29,332	(752,378)
Less Items Classified As Investing Activities		
(Increase)/Decrease in Property, Plant and Equipment payable	-	21,796
	-	21,796
Net Cash from Operating Activities	517,741	471,523

Notes to the Financial Statements for the Year Ended 30 June 2021

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

In these financial statements the reporting entity is Palliser Estate Wines of Martinborough Limited (the 'company'). The principal activity of the company is to produce and sell wines from grapes grown in New Zealand. The company is a limited liability company incorporated and domiciled in New Zealand.

These financial statements were approved for issue by the Board of Directors on 1 October 2021. The company's owners do not have the power to amend these financial statements once issued.

The company is registered in New Zealand under the Companies Act 1993. The company is a reporting entity and complies with the Financial Markets Conduct Act 2013. Company shares are traded on Unlisted Securities Exchange (USX) an unlisted unlicensed financial product market operating under an exemption from the Financial Markets Conduct Act 2013.

Basis of Preparation

These financial statements are presented in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP). For the purposes of complying with NZ GAAP the company is a for-profit entity. The financial statements comply with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and other Financial Reporting Standards applicable to profit-oriented entities. They have been prepared in accordance with the Tier 1 for profit reporting requirements set out by the New Zealand Accounting Standards Board. They also comply with International Financial Reporting Standards (IFRS). These financial statements are rounded to the nearest dollar.

These financial statements have been prepared on the basis the company is a going concern.

Certain comparative amounts have been reclassified to conform to the current year's presentation.

Measurement Basis

The measurement basis adopted in the preparation of these financial statements is historical cost, with the exception of the revaluation of vines and certain financial instruments as identified in the particular accounting policies below.

Standards Issued that came into effect in the Current Year

Amendments to NZ IAS 1 and NZ IAS 8 Definition of Material, effective for the company 1 July 2020.

There have been no new standards, amended statements or interpretation (other than above), which came into effect in the current reporting period, which had an impact on the company's position, performance or disclosures.

Standards Issued but Not Yet Effective

At the date of authorisation of these financial statements, certain new standards and amendments to and interpretations of existing standards had been issued that were not yet effective at the reporting date, and have not been applied in the preparation of these financial statements. Management anticipates that all of the pronouncements will be adopted, if applicable, in the accounting policies for the first period beginning after the effective date of the pronouncements.

Information on new standards and interpretations that are expected to be relevant are included below:

Amendments to NZ IAS 1 – Classification of Liabilities as Current or Non-Current (effective for the company 1 January 2023)

Amendments to NZIAS 1 – Disclosure of Accounting Policies (effective for the company 1 January 2023)

Based on management's assessment to date, the standards are not expected to have a material impact on the company, but additional disclosures may be required.

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

Particular Accounting Policies

The following particular accounting policies, which significantly affect the measurement of financial performance, financial position and cash flows have been applied.

Revenue from Sales of Goods

Recognition of revenue occurs when the performance obligation to the customer is satisfied. Satisfaction of performance obligation occurs on transfer of a promised good to the customer and when the customer obtains control of that good. Revenue from the sale of wine is recognised when control of the wine has passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Dividend Revenue

Dividends are recognised as other income in the Statement of Comprehensive Income at the time the right to receive payment is established.

Interest Income

Interest income is recognised as other income in the Statement of Comprehensive Income as earned using the effective interest method.

WET rebate

The WET (wine equalisation tax) rebate is recognised as other income in the Statement of Comprehensive Income when it is probable that the economic benefits will flow to the company and the revenue and costs can be measured reliably.

Goods and Services Tax

The Statement of Comprehensive Income and the Statement of Cash Flows have been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST invoiced.

Depreciation

Depreciation is provided on Property, Plant and Equipment using the straight-line basis or diminishing-value basis, at rates sufficient to write them off over their expected useful lives. The expected useful lives are as follows:

Buildings(straight line)	10-100 years
Vineyard Equipment(straight line & diminishing value)	2-17 years
Winery Equipment(straight line & diminishing value)	2-34 years
Motor Vehicles(straight line)	4-8 years
Office Equipment(straight line & diminishing value)	1-15 years

Depreciation is the difference between the cost and residual value of an asset. No depreciation is provided on land, vines or vine support structures as the residual value and cost is considered to be the same. The basis of depreciation represents the method that best reflects the decline in future economic service potential of the asset class.

Foreign Currency Transactions

The functional and presentation currency is New Zealand dollars (NZD). Foreign currency transactions are translated into NZD using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss within the Statement of Comprehensive Income.

Foreign Exchange Contracts

Foreign exchange contracts are initially recognised at fair value on the dates the contracts are entered into and are subsequently re-measured at fair value, as determined by the bank's mark-to-market measurement. Changes in the fair values of these derivative instruments are recognised immediately in profit or loss within the Statement of Comprehensive Income. Hedge accounting has not been applied for foreign exchange contracts.

Capital Risk Management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Income Tax

The income tax expense recognised in profit or loss within the Statement of Comprehensive Income is the estimated income tax payable in the current reporting period, adjusted for any differences between the estimated and actual income tax payable in prior periods.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the statement of financial position. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax assets are realised or the deferred income tax liability is settled.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts without a right of set off are shown within borrowings in current liabilities in the Statement of Financial Position.

Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. The collectability of trade receivables is reviewed on an on-going basis. Receivables that are known to be uncollectible are written off. The simplified approach to measure expected credit losses using a lifetime expected credit loss provision under NZIFRS 9 has been applied. The current lifetime expected credit loss from trade receivables is nil (2020: nil).

Government Grants

Government grants related to income are recognised in the Statement of Comprehensive Income separately on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses. The cost includes direct materials, labour, and production overheads. Grapes harvested are measured at fair value less estimated point-of-sale costs at point of harvest; this measure is used as the 'deemed cost'. After harvest the grapes are treated as inventory.

Unquoted Equity Investments

NZ IRFS 9 requires all equity investments to be measured at fair value. The company has made the election to classify the Unquoted Equity Investments as at Fair Value through Profit and Loss (FVTPL). Under this category fair value changes and dividends are recognised in profit or loss.

Property, Plant and Equipment

All property, plant and equipment (except bearer plants as discussed below) is shown at cost, less any accumulated depreciation and impairment losses. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

company and the cost can be measured reliably. All other repair and maintenance expenditure is charged to profit or loss within the Statement of Comprehensive Income during the reporting period in which it is incurred.

Bearer plants (vines) fall within the scope of NZ IAS 16 Property, Plant and Equipment. The vines have been measured using the revaluation model. Vines are not depreciated as they are held at fair value with residual values not expected to be less than carrying values. The vines have been revalued to fair value as determined by an independent valuer at 30 June 2021 and by Director's valuation at 30 June 2020. Where the revaluation results in an increase in the carrying amount, the increase is recognised in Other Comprehensive Income and accumulated in equity under Revaluation Reserve. However, the increase is recognised in profit or loss within the Statement of Comprehensive Income to the extent that it reverses a revaluation decrease previously recognised in profit or loss. Where the revaluation results in a decrease in the carrying amount, the decrease is recognised in other comprehensive income to the extent of any credit balance existing in the revaluation surplus. The grapes produced remain in the scope of NZ IAS 41 Agriculture and are measured at fair value less costs to sell. Grapes are reclassified as inventory upon harvest.

Intangible Assets

Trademark protection represents the net cost of trademark protection. A trademark has unlimited life because it can be renewed in perpetuity. Trademark protection is reviewed annually for impairment or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For the purposes of impairment testing, trademark protection is allocated to cash-generating units. Any impairment is recognised as an expense in profit or loss within the Statement of Comprehensive Income.

The website upgrade has a finite useful life and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over the estimated useful life (four years). Amortisation is included in cost of sales in the Statement of Comprehensive Income.

Impairment of other assets

The carrying amount of the company's assets, other than inventories, is reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with NZ IFRS 15, all financial assets are measured at fair value adjusted for transaction costs (where applicable). Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

-amortised cost

-fair value through profit or loss (FVTPL)

-fair value through other comprehensive income (FVOCI).

In the period presented the company does not have any financial assts categorised as FVOCI. The classification is determined by both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the Statement of Comprehensive Income are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Impairment of Financial Assets

NZIFRS 9 requires an expected credit loss model as opposed to an incurred credit loss model under IAS39. The expected credit loss model requires the company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. NZIFRS 9 requires the company to measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition the company is required to measure the loss allowance for the financial instrument at an amount equal to 12-month expected credit loss. NZIFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime expected credit loss for trade receivables.

Operating Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Associated costs, such as maintenance and insurance, are expensed as incurred. The company has no right to use assets for recognition of lease assets and lease liabilities in the Statement of Financial Position.

Financial Liabilities

The company's financial liabilities include borrowings, trade and other payables. Financial Liabilities are initially measured at fair value and where applicable adjusted for transaction costs unless the company designated a financial liability at fair value through profit or loss. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in the Statement of Comprehensive Income (other than derivatives financial instruments that are designated and effective as hedge instruments).

All interest related charges and if applicable changes in an instrument's fair value that are reported in the Statement of Comprehensive Income are included within finance costs or finance income.

Trade and Other Payables represent liabilities for goods and services provided to the company prior to the end of the reporting period that are unpaid. Some amounts are secured but all are usually paid within 30 days of recognition.

Employee Benefits

Liabilities for wages and salaries, including non monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

The liability for employee entitlements is carried at the present value of the estimated future cash flows.

Dividends

Provision is made for the amount of any dividend declared on or before the end of the reporting period but not distributed at the reporting date.

Dividend distributions to the company shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the company's Directors.

Segment Reporting

Operating segments have been identified based on the information provided to the chief operating decision maker – being the Chief Executive Officer. The company has only a single reporting segment (see note 17).

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

Statement of Cash Flows

The following are the definitions of the terms used in the Statement of Cash Flows.

(a) Cash and cash equivalents are considered to be cash on hand and current accounts in banks.

(b) Investing activities are those activities relating to the acquisition, holding and disposal of fixed assets and of investments. Investments can include securities not falling within the definition of cash.

(c) Financing activities are those activities that result in changes to the size and composition of the capital structure of the company. This includes both equity and debt not falling within the definition of cash. Dividends paid in relation to the capital structure are included in financing activities.

(d) Operating activities include all transactions and other events that are not investing or financing activities.

Changes in Accounting Policies

There have been no changes in accounting policies. All other policies have been applied on bases consistent with those used in the previous reporting period.

NOTE 2: CRITICAL ESTIMATES AND JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

These financial statements are prepared in accordance with NZ IFRS. There are a number of critical accounting treatments that include subjective judgements and estimates that may affect the reported assets and liabilities in the financial statements. Explanations of the judgements and estimates made by the company having the most significant effects on the amounts recognised in the financial statements are set out below.

Fair Value of Vines

The fair value of the vines has been established by independent valuation of vines at 30 June 2021. The principle of the highest and best use as at balance date has been given first consideration in determining the fair value. The fair value of land and other vineyard infrastructure is deducted from the fair value of the vineyard to determine the fair value of grape vines.

Fair Value of Agricultural Produce

The Directors carried out an assessment of the fair value per tonne of grapes, which is based on the quality of the grapes produced by the company, with reference to market prices for each variety of grape. This requires judgement and estimation by Directors. Refer note 12 and note 19.

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 3: REVENUE

	2021 $	2020 $
Bottled Wine New Zealand sales	3,032,211	2,183,957
Bottled Wine Export sales	1,800,346	1,680,616
Toast Martinborough Income	22,102	65,058
Food sales	204,263	52,682
Merchandise sales	8,043	3,386
Event /Visa WOAP	-	2,213
Wine Experiences	-	6,597
Total Revenue	5,066,965	3,994,509

NOTE 4: OTHER INCOME

	2021 $	2020 $
Interest	477	(421)
Dividend Received	-	29,851
WET rebate	160,506	155,531
Foreign exchange gain	5,072	1,697
Sales gain Overseas currency	-	4,465
Depreciation Recovered	-	46,162
Other	63,040	60,527
Total other income	229,095	297,812

NOTE 5: OPERATING EXPENSES

	2021 $	2020 $
Expenses include the following;		
Disposal of Vines	-	31,605
Loss on disposal of Property, Plant and Equipment	-	-
Depreciation		
Motor vehicles	16,381	15,631
Vineyard equipment	68,982	78,802
Grape harvesting equipment	30,482	30,482
Winery equipment	98,321	111,718
Vineyard development	34	36
Office equipment	22,855	15,405
Buildings	77,525	76,843
Total depreciation	314,580	328,917
Directors' fees	63,000	60,156
Auditor's remuneration		
Audit services	24,500	24,982
Other assurance services*	1,800	1,600

*Other assurance services being the Share Registry Audit.

Employee salary and wages paid during the year totalled $1,414,795 (2020: $1,536,274).

NOTE 6: TAXATION

	2021 $	2020 $
The taxation provision has been calculated as follows:		
Profit before taxation	135,196	418,664
Taxation on profits for the year@28% (2020 28%)	37,855	117,226
Expenses not deductible-building depreciation tax adjustment	-	(493,452)
Expenses not deductible-other	(65,696)	(82,186)
Taxation charge as per the Statement of Comprehensive Income	(27,841)	(458,412)
Represented by:		
Current income tax	130,197	105,006
Deferred income tax	(158,038)	(563,418)
	(27,841)	(458,412)

The deferred tax charge in the Statement of Comprehensive Income comprises the following temporary differences:

	2021 $	2020 $
WET rebate	3,074	(4,961)
Revaluation of vines	(32,292)	(780)
Depreciation & Amortisation	(14,632)	(571,723)
Revaluation of stock	(99,209)	21,213
Audit fee accrual	(1,540)	434
Bonus accrual	(8,189)	1,086
Annual leave accrual	(2,006)	(8,685)
Wages Accrued	(3,244)	-
Total temporary differences	(158,038)	(563,418)

DEFERRED TAX	2021 $	2020 $
Opening balance	1,077,806	1,641,224
Temporary differences for period	(158,038)	(563,418)
Closing balance	919,768	1,077,806

The deferred tax closing balance comprises the following temporary differences:		
WET rebate	44,942	41,868
Depreciation & Amortisation	165,010	179,642
Revaluation of stock	(69,328)	29,881
Audit fee accrual	(7,364)	(5,824)
Revaluation of vines	837,684	869,976
Bonus accrual	(16,979)	(8,790)
Annual leave accrual	(30,953)	(28,947)
Wage Accrual	(3,244)	-
Closing balance	919,768	1,077,806

NOTE 7: EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares during the reporting period. No financial instruments have been issued by the company that would dilute the shares currently on issue.

	2021 $	2020 $
Total Comprehensive Income/(Loss)	23,136	877,076
Weighted average number of ordinary shares	4,216,734	4,216,734
Earnings per share (Basic=Diluted) cents	.55	20.80

NOTE 8: TRADE AND OTHER RECEIVABLES

	2021 $	2020 $
Trade receivables	580,050	380,867
Receivables from related parties	860	-
Employee loans	2,675	2,778
Other receivables	161,073	149,529
Current trade and other receivables	744,658	533,174
Non-current portion of employee loans	6,058	8,823
	750,716	541,997
Neither past due nor impaired	655,586	530,402
Past due but not impaired*	95,130	11,595
Individually impaired	-	-
	750,716	541,997
*Past due debtors		
0-30 days	87,866	330
31-60 days	5,788	-
Greater than 60 days	1,476	11,265
	95,130	11,595

NOTE 9: FORWARD CURRENCY CONTRACTS

	2021 $	2020 $
Unrealised gains on forward contracts	(2,392)	4,171

The fair value is measured by the ANZ bank's determination of the 30 June mark-to-market values.

The company has contracts to buy USD 36,708 (2020: 40,964), GBP 46,350 (2020: nil) and AUD 111,481.60 (2020: nil).

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 10: STOCK ON HAND

	2021 $	2020 $
Stock on hand comprises:		
Finished stock	1,452,863	1,722,143
Bulk wine	2,056,591	2,000,605
Dry stock	119,375	67,964
	3,628,829	3,790,712

Inventories recognised as an expense during the year amounted to $2,334,253 (2020: $1,781,058).

WORK IN PROGRESS

	2021 $	2020 $
	97,077	98,756

Work in progress comprises vineyard expenses incurred to reporting date that relate to capitalised costs associated with the subsequent seasons harvest.

NOTE 11: PROPERTY, PLANT AND EQUIPMENT

	2021 $	2020 $
Land	2,637,992	2,637,992
Buildings	1,640,770	1,661,576
Building Addition – Work in Progress	24,138	-
Winemaking equipment	520,001	495,465
Vineyard development	2,262,559	2,241,839
Grape harvesting equipment	104,594	135,076
Vineyard equipment	295,446	350,151
Vehicles	42,578	58,958
Vines	3,280,000	3,411,276
Office and cellar sales equipment	129,682	70,492
Total	10,937,760	11,062,825

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 11: PROPERTY, PLANT AND EQUIPMENT, cont.

30 June 2021	Land (cost) $	Buildings (cost) $	Winemaking Equipment (cost) $	Vineyard Development (cost) $	Grape Harvesting Equipment (cost) $
Opening cost	2,637,992	2,803,853	2,919,552	2,272,669	358,611
Opening accumulated revaluation	-	-	-	-	-
Opening accumulated depreciation	-	(1,142,277)	(2,424,087)	(30,830)	(223,535)
Opening net book value	2,637,992	1,661,576	495,465	2,241,839	135,076
Additions	-	56,719	122,857	20,754	-
Revaluation this year	-	-	-	-	-
Net disposal	-	-	-	-	-
Depreciation	-	(77,525)	(98,321)	(34)	(30,482)
Closing net book value	2,637,992	1,640,770	520,001	2,262,559	104,594
Closing cost	2,637,992	2,860,572	3,042,409	2,293,423	358,611
Closing accumulated revaluation	-	-	-	-	-
Closing accumulated depreciation	-	(1,219,802)	(2,522,408)	(30,864)	(254,017)
Closing net book value	2,637,992	1,640,770	520,001	2,262,559	104,594

30 June 2020	Land (cost) $	Buildings (cost) $	Winemaking Equipment (cost) $	Vineyard Development (cost) $	Grape Harvesting Equipment (cost) $
Opening cost	2,637,992	2,756,443	3,109,329	2,272,669	358,611
Opening accumulated revaluation	-	-	-	-	-
Opening accumulated depreciation	-	(1,065,434)	(2,632,010)	(30,794)	(193,053)
Opening net book value	2,637,992	1,691,009	477,319	2,241,875	165,558
Additions	-	47,410	130,292	-	-
Revaluation this year	-	-	-	-	-
Net disposal	-	-	(428)	-	-
Depreciation	-	(76,843)	(111,718)	(36)	(30,482)
Closing net book value	2,637,992	1,661,576	495,465	2,241,839	135,076
Closing cost	2,637,992	2,803,853	2,919,552	2,272,669	358,611
Closing accumulated revaluation	-	-	-	-	-
Closing accumulated depreciation	-	(1,142,277)	(2,424,087)	(30,830)	(223,535)
Closing net book value	2,637,992	1,661,576	495,465	2,241,839	135,076

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 11: PROPERTY, PLANT AND EQUIPMENT, cont.

30 June 2021	Vineyard Equipment (cost) $	Vehicle (cost) $	Vines (revalution) $	Office & Cellar Sales Equipment (cost) $	Building Work in Progress (cost) $	Total $
Opening cost	2,564,733	92,934	3,212,912	280,975	-	17,144,231
Opening accumulated revaluation	-	-	198,364	-	-	198,364
Opening accumulated depreciation	(2,214,582)	(33,976)	-	(210,483)	-	(6,279,770)
Opening net book value	350,151	58,958	3,411,276	70,492	-	11,062,825
Additions	14,278	-	8,625	82,046	24,138	329,417
Revaluation this year	-	-	(139,901)	-	-	(139,901)
Net disposal	-	-	-	-	-	-
Depreciation	(68,982)	(16,381)	-	(22,855)	-	(314,580)
Closing net book value	295,446	42,578	3,280,000	129,683	24,138	10,937,761
Closing cost	2,578,873	92,934	3,221,537	359,671	24,138	17,470,160
Closing accumulated revaluation	-	-	58,463	-	-	58,463
Closing accumulated depreciation	(2,283,427)	(50,356)	-	(229,988)	-	(6,590,862)
Closing net book value	295,446	42,578	3,280,000	129,683	24,138	10,937,760

30 June 2020	Vineyard Equipment (cost) $	Vehicle (cost) $	Vines (revalution) $	Office & Cellar Sales Equipment (cost) $	Total $
Opening cost	2,532,111	83,423	3,201,636	251,089	17,203,303
Opening accumulated revaluation	-	-	198,364		198,364
Opening accumulated depreciation	(2,135,781)	(45,993)	-	(195,078)	(6,298,143)
Opening net book value	396,330	37,430	3,400,000	56,011	11,103,524
Additions	32,622	48,043	42,880	29,886	331,133
Revaluation this year	-	-	-	-	-
Net disposal	-	(10,884)	(31,604)	-	(42,916)
Depreciation	(78,801)	(15,631)	-	(15,405)	(328,916)
Closing net book value	350,151	58,958	3,411,276	70,492	11,062,825
Closing cost	2,564,733	92,934	3,212,912	280,975	17,144,231
Closing accumulated revaluation	-	-	198,364	-	198,364
Closing accumulated depreciation	(2,214,582)	(33,976)	-	(210,483)	(6,279,770)
Closing net book value	350,151	58,958	3,411,276	70,492	11,062,825

At 30 July 2021 Directors obtained a fair value appraisal of some of the company assets by Logan Stone. The valuation for fair value of the assets valued was $15.8m, comprising land $8.6m, buildings $2.1m, vines $3.3m, other $1.8m. The coolstore in Broadway Street was not valued, it's Rating Valuation (1 September 2020) is $360,000. These assets (excluding vines) are carried at historical cost in the financial statements.

Were these assets revalued it would result in an increase in the net assets by $5,954,445, which would result in a net asset backing per share of $5.27.

NOTE 12: BIOLOGICAL ASSETS

	2021 $	2020 $
Carrying amount of Vines if cost model had been used	2,166,436	2,329,495
Number of vines owned	183,309	181,584
Tonnes of grapes crushed – own vineyards	332	480

The fair value of grapes harvested at point of harvest has been determined by the Board and management with reference to market prices and consideration of the quality of the harvested grapes.

The fair value less estimated point-of-sale costs of grapes harvested during the period, determined at point of harvest, is $892,358 (2020: $1,219,106).

The fair value of the vines has been established by an independent valuation at 30 July 2021. The valuation from Logan Stone Ltd was carried out by Boyd A Gross, B Agr (Rural Val), Dip Bus Std, FNIV, FPINZ and reviewed by Jay Sorensen, B Appl Sc (Rural Val) Agr Bus, MPINZ, ANZIV. Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. It is Logan Stone's view that there is an active market for vines as part of a vineyard unit. The fair value of land and other vineyard infrastructure is deducted from the value of the vineyard, to determine the fair value of the grape vines.

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 13: INTANGIBLE ASSETS

	Trademark Protection $	Website $	Total $
30 June 2021			
Opening cost	46,465	42,681	89,146
Opening accumulated amortisation	-	(32,899)	(32,899)
Opening net book value	46,465	9,782	56,247
Additions	1,050	16,172	17,222
Net disposals	-	-	-
Amortisation	-	(10,793)	(10,793)
Closing net book value	47,515	15,161	62,676
Closing cost	47,515	58,853	106,368
Closing accumulated amortisation	-	(43,692)	(43,692)
Closing net book value	47,515	15,161	62,677
30 June 2020			
Opening cost	45,110	42,681	87,791
Opening accumulated amortisation	-	(22,229)	(22,229)
Opening net book value	45,110	20,452	65,562
Additions	1,355	-	1,355
Net disposals	-	-	-
Amortisation	-	(10,670)	(10,670)
Closing net book value	46,465	9,782	56,247
Closing cost	46,465	42,681	89,146
Closing accumulated amortisation	-	(32,899)	(32,899)
Closing net book value	46,465	9,782	56,247

NOTE 14: TRADE AND OTHER PAYABLES

	2021 $	2020 $
Trade creditors	357,386	270,422
Related party payables	58,916	71,033
Other payables	377,632	121,119
	793,934	462,574

NOTE 15: TERM LOANS

	2021 $	2020 $
Current portion of term loans		
South Wairarapa District Council Loan	865	3,460
Heart Saver NZ Limited	915	915
	1,780	4,375

During the 2020 year the company entered into a rent to own contract with HeartSaver NZ limited for a defibrillator. During the term of the arrangement Heart Saver NZ Limited remains the lawful owner of the defibrillator. At the end of the rental period of 36 months the legal ownership transfers to the company.

During the 2020 year the company entered into a loan agreement with the South Wairarapa District Council. The loan repayment period is 24 months with monthly interest free payments of $288.37 (Note 22).

NOTE 16: SHARE CAPITAL

	2021 number	2020 number	2021 $	2020 $
Opening share capital	4,216,734	4,216,734	6,491,435	6,491,435
Share capital issued	-	-	-	-
Closing share capital	4,216,734	4,216,734	6,491,435	6,491,435

All the shares above are of an identical class. Dividend entitlements are attached on a proportionate basis to the extent to which the shares have been paid.

All ordinary shares rank equally, with one vote attached to each fully paid ordinary share. None of the above shares are held by the company. The shares have no par value.

There were no shares issued during the year.

NOTE 17: SEGMENTAL REPORTING

Palliser Estate Wines of Martinborough Limited operates as a single reportable segment, its business being to produce and sell wines from grapes grown in New Zealand. All the company's costs and assets are managed at a company wide level.

Revenue from external customers has been identified on the basis of the customers' geographical locations.

	2021 $	2020 $
New Zealand	3,266,618	2,313,892
Australia	604,512	350,533
United States America	262,805	311,559
United Kingdom	152,612	265,995
Denmark	49,588	114,429
Korea	233,813	94,006
United Arab Emirate	44,000	86,595
Hong Kong	145,753	81,613
Canada	56,179	72,089
Japan	32,617	53,660
Netherlands	55,834	49,632
Switzerland	17,700	19,454
Other	144,934	181,052
Total	5,066,965	3,994,509

All non-current assets are located in New Zealand.

Revenues from transactions with single external customers that amounted to 10% or more of revenue.

	2021 $	2020 $
Customer A	1,414,583	1,723,326

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 18: IMPUTATION CREDIT ACCOUNT

	2021	2020
	$	$
Imputation credits available for distribution to shareholders as at 30 June.		
Amount available as at 1 July	2,488,325	2,804,784
Net movement during the reporting period	52,308	(316,459)
Amount available as at 30 June	2,540,633	2,488,325

NOTE 19: FINANCIAL INSTRUMENTS

2021	Financial Assets at Amortised Cost $	Financial Assets at Fair Value through Profit and Loss $	Total $
Cash and cash equivalents	773,202	-	773,202
Trade and other receivables	750,716	-	750,716
Investments	-	7,039	7,039
Total Financial Assets	1,523,918	7,039	1,530,957

	Financial Liabilities at Fair value through Profit or Loss $	Financial Liabilities at Amortised Cost $	Total $
Trade and other payables	-	396,003	396,003
Term Loans	-	2,085	2,085
Forward exchange contracts	2,392	-	2,392
Total Financial Liabilities	2,392	398,088	400,480

2020	Financial Assets at Amortised Cost $	Financial Assets at Fair Value through Profit and Loss $	Total $
Cash and cash equivalents	603,606	-	603,606
Forward exchange contracts	4,171	-	4,171
Trade and other receivables	541,997	-	541,997
Investments	-	6,868	6,868
Total Financial Assets	1,149,774	6,868	1,156,642

	Financial Liabilities at Fair value through Profit or Loss $	Financial Liabilities at Amortised Cost $	Total $
Trade and other payables	-	298,996	298,996
Term Loans	-	6,460	6,460
Total Financial Liabilities	-	305,456	305,456

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

The following table presents financial assets and liabilities measured at fair value in the Statement of Financial Position in accordance with the fair value hierarchy. This hierarchy groups financial assets and liabilities into three levels based on the significance of inputs used in measuring the fair values of the financial assets and liabilities. The fair value hierarchy has the following levels:

-Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

-Level 2: Inputs other than quoted prices included within level 1 that are observable for asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

-Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy as follows:

2021	**Level 1 $**	**Level 2 $**	**Level 3 $**
Investments			
Unquoted equity instruments	-	-	7,039
Property Plant and Equipment			
Vines	-	3,280,000	
Current Liabilities			
Forward Currency Contracts	-	(2,392)	-
Net Fair Value	-	3,277,608	7,039

2020	**Level 1 $**	**Level 2 $**	**Level 3 $**
Current Assets			
Forward Currency Contracts	-	4,171	-
Investments			
Unquoted equity instruments	-	-	6,868
Property Plant and Equipment			
Vines	-	-	3,411,276
Net Fair Value	-	4,171	3,418,144

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

Vines are included in Level 2 in the 2021 comparison as the fair value of these was determined by an independent valuation using valuation techniques which use inputs based on prices which are indirectly derived from market observable prices. The independent valuation carried out by "Logan Stone" was based on the market transactions that occurred in the Wairarapa for vineyard properties, transactions of other land uses and other winegrowing areas have also been taken into consideration, with adjustments reflecting the location, standard of improvements, plantings, mixed age of plants and productive capacities.

Vines are included in Level 3 in 2020 as the fair value of the vines has been determined by Director's valuation.

The company has a policy of valuing the vines every second year by an independent valuer unless there are indications of a significant change. There has been no change in current or future productivity of vines. There is no market evidence to indicate any change in vine value. It is the judgement of Directors that the vine values are unchanged from values established by independent valuation dated March 2019. Adjustments are made for any additional vine plantings and disposals. The Directors believe that having the vines revalued by an independent valuer at 30 June 2020 would not result in a more meaningful value or provide more useful information to stakeholders, than the approach used by the Directors in their valuation.

a) Nature of activities and management policies with respect to financial instruments.

Credit Risk

In the normal course of business, the company incurs credit risk from trade receivables, transactions with financial institutions and employee loans. The company does not require collateral or security to support financial instruments. The company does not expect the non-performance of any obligations at the reporting date. The maximum credit risk is the carrying value of the financial asset.

Foreign Exchange Risk

Forward exchange contracts are entered into to manage foreign exchange risk on future sales receipts as a result of adverse foreign exchange fluctuations. The company is not using hedge accounting for any contracts outstanding at the reporting date. While foreign exchange rates do impact New Zealand dollar sales receipts, the company is not materially exposed to exchange gains and losses over the short term. The company has reasonable geographical diversity to spread foreign exchange risk and accounts receivable are collected promptly.

Liquidity Risk

Liquidity risk is the risk arising from the company not being able to meet its obligations. The company manages its liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching profiles of financial liabilities.

The table below summarises the company's exposure to foreign currency exchange rate risk as at period end. Included in the table are the company's financial instruments at carrying amounts, categorised by currency.

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

2021	Total $	NZD $	AUD $	GBP $	EURO $	USD $	CAD $
Cash and cash equivalents	773,202	583,820	92,377	68,022	10,097	18,886	-
Trade and other receivables	750,716	401,356	258,655	90,705	-	-	-
Investments	7,039	7,039	-	-	-	-	-
Total Financial Assets	1,530,958	992,215	351,033	158,727	10,097	18,886	
Forward exchange contracts	2,392	-	55	951	-	1,496	-
Trade and other payables	396,003	381,460	14,543	-	-	-	-
Term Loans	2,085	2,085	-	-	-	-	
Total Financial Liabilities	400,480	383,545	14,488	951	-	1,496	-
Net Financial Position	1,130,478	608,670	336,545	157,776	10,097	17,390	-

2020	Total $	NZD $	AUD $	GBP $	EURO $	USD $	CAD $
Cash and cash equivalents	603,606	487,036	4,649	65,772	4,025	42,124	-
ANZ Bank term deposit	-	-	-	-	-	-	-
Forward exchange contracts	4,171	-	-	-	-	4,171	-
Trade and other receivables	541,997	336,041	184,278	-	-	21,678	-
Investments	6,868	6,868	-	-	-	-	-
Total Financial Assets	1,156,642	829,945	188,927	65,772	4,025	67,973	
Trade and other payables	298,996	288,158	10,758	80	-	-	-
Term Loans	6,460	6,460	-	-	-	-	
Total Financial Liabilities	305,456	294,618	10,758	80	-	-	-
Net Financial Position	851,186	535,327	178,169	65,692	4,025	67,973	-

Price Risk

Palliser is exposed to price risk as a result of the competitive market steering the selling price of wine. If sales prices were to fall by 5% or increase by 5% then this would have the following impact:

	2021 $	2020 $
Actual Revenue	5,066,965	3,994,509
5% Decrease	4,813,616	3,794,784
5% Increase	5,320,313	4,194,234

b) Fair Values

The estimated fair values of the company's financial assets and liabilities approximate their carrying values

NOTE 20: RISK MANAGEMENT STRATEGIES RELATED TO AGRICULTURE ACTIVITY

Frost protection is provided on all vineyards to protect against the risk of crop loss or damage due to frosts. An established programme is run to reduce and mitigate the effects of diseases, weeds and other pests on the health and production of the vines.

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 21: RISK SENSITIVITY

The table below summarises the pre-tax sensitivity of financial assets and liabilities to changes in the key risk variable, being currency risk. This details movement in profit or loss within the Statement of Comprehensive Income given a 10% shift in the NZD against all currencies held. The 10% sensitivity rate used represents management's assessment of the reasonably possible change in foreign exchange rates.

2021	**Carrying Amount**	**Currency Risk**	
	$	**-10%**	**10%**
Cash and cash equivalents	773,202	21,043	(17,217)
Trade and other receivables	750,716	39,389	(32,227)
Investments	7,039	-	-
Total Financial Assets	1,530,957	60,431	(49,444)
Trade and other payables	396,003	1,616	(1,322)
Term Loans	2,085	-	-
Forward exchange contracts	2,392	29,359	(24,021)
Total Financial Liabilities	400,479	30,975	(25,343)
Net Financial Position	1,130,478	29,457	(24,101)

2020	**Carrying Amount**	**Currency Risk**	
	$	**-10%**	**10%**
Cash and cash equivalents	603,606	12,952	(10,597)
ANZ Bank term deposit	-	-	-
Forward exchange contracts	4,171	7,083	(5,795)
Trade and other receivables	541,997	22,884	(18,723)
Investments	6,868	-	-
Total Financial Assets	1,156,642	42,919	(35,115)
Trade and other payables	298,996	1,204	(985)
Term Loans	6,460	-	-
Forward exchange contracts	-	-	-
Total Financial Liabilities	305,456	1,204	(985)
Net Financial Position	851,186	41,715	(34,130)

NOTE 22: MATURITY ANALYSIS

The table below analyses the company's financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due equals their carrying values as the impact of discounting is not significant.

2021	**less than 6 months $**	**6 - 12 months $**	**greater than 12 months $**
Trade and other payables	395,666	337	-
Term Loans	1,340	440	305
Total Financial Liabilities	397,006	777	305

2020	**less than 6 months $**	**6 - 12 months $**	**greater than 12 months $**
Trade and other payables	298,768	137	91
Term Loans	2,188	2,187	2,085
Total Financial Liabilities	300,956	2,324	2,176

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 23: RELATED PARTY TRANSACTIONS

The company purchased fuel, road user charges, vehicle maintenance and other minor purchases from Martinborough Automotive 2020 Limited, of which Mrs P M Goodwin's husband is related. These transactions amount to $8,177 (2020: $7,836).

During the year the company reimbursed Mr J D Auld travel and other expenses of $1,368 (2020: $2,153).

	2021	2020
	$	$
Trade and other receivables include:		
Key management personnel	860	-
Other related parties	-	-
Trade and other payables include:		
Key management personnel	58,610	57,342
Other related parties	307	13,691
Key Management Compensation		
Short-term employee benefits	353,556	355,359
Directors Fees	63,000	60,156

NOTE 24: COMMITMENTS

There were no commitments for capital expenditure at the reporting date (2020: Nil).

NOTE 25: OPERATING LEASES

A lease commitment exists for the photocopier and Eftpos payment services.

	2021 $	2020 $
Less than a year	4,187	3,434
Between one and five years	8,785	2,966
More than five years	-	-
Total	12,972	6,400

	2021 $	2020 $
Total operating lease payments recognised as an expense	4,356	5,316

NOTE 26: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

No contingent liabilities or contingent assets are known to exist at the reporting date (2020: Nil).

NOTE 27: DIVIDEND

A dividend was declared by the Board of Directors on 17 June 2021 on ordinary shares of 5 cents per share and was paid on 7 July 2021 to shareholders on the share register on 17 June 2021 (2020: A dividend on ordinary shares of 20 cents per share was paid on 7 August 2019 to shareholders on the share register on 5 July 2019).

Notes to the Financial Statements for the Year Ended 30 June 2021 *cont.*

NOTE 28: BANK SECURITIES

The ANZ Bank holds the following securities:
-First charge registered mortgage over 12.0395ha
-Debenture (priority amount $1,800,000)
-Specific Security Agreement over plant & equipment.

The company is not subject to the maintenance of any external financial covenants.

NOTE 29: COVID-19

As a primary industry the company is considered an essential service and therefore able to operate aspects of the business at all levels of lockdown in New Zealand, Covid-19 is expected to have a lasting significant economic impact on New Zealand with uncertainty as to how this may impact the Company in the future. When making future business decisions both management and Directors are giving consideration to these significant uncertainties.

NOTE 30: MANAGING CAPITAL

Management's objective is to ensure the company continues as a going concern and to maintain optimal returns to shareholders and benefits for other stakeholders. The company aims to maintain a capital structure which provides flexibility to enable future growth.

NOTE 31: RECONCILIATION OF CASHFLOWS FROM FINANCING ACTIVITIES

The changes in the company's liabilities arising from financing activities can be classified as follows;

	Employee Loans $	Dividends Payable $
Liability at 1 July 2020	(11,600)	-
Non Cash		
Dividends declared		214,378
Employee loans issued	-	
Cash flows		
Employee loans repaid	2,868	
Balance 30 June 2021	(8,732)	214,378

	Employee Loans $	Dividends Payable $
Liability at 1 July 2019	(15,385)	-
Non Cash		
Dividends declared		842,052
Employee loans issued	-	
Cash flows		
Employee loans repaid	3,785	
Dividends paid		(842,052)
Balance 30 June 2020	(11,600)	-

Comparative Financial Review for the Years Ending 31 June

	2021	2020	2019	2018	2017
	$'000	$'000	$'000	$'000	$'000
Income Statement Data					
Total Sales Revenue	5,067	3,995	4,864	5,054	4,612
Surplus from Operations	1,346	1,611	1,480	1,432	1,147
Taxation	(28)	(458)	22	107	72
Net Surplus/(Deficit) for the Year	23	877	(75)	202	154
Earnings per Share (cents)	0.55	20.80	(1.79)	4.81	3.66
Dividends per Share (cents)	5.00	20.00	-	10.00	5.00
Statement of Financial Position Data					
Current Assets	5,244	5,047	5,556	5,597	5,822
Current Liabilities	908	467	503	419	422
Working Capital Ratio	5.78	10.81	11.05	13.36	13.80
Non-Current Assets	11,014	11,135	11,188	11,062	11,025
Total Assets	16,257	16,182	16,744	16,659	16,847
Non-Current Liabilities	920	1,080	1,641	1,597	1,573
Total Liabilities	1,828	1,547	2,144	2,016	1,995
Total Shareholder's Equity	14,430	14,635	14,600	14,643	14,852
Net Surplus/(Deficit) % of Shareholder's Equity	0.16%	5.99%	-0.51%	1.38%	1.04%
Total Loans	2	6	-	-	-
Gearing Ratio % [1]	0.01%	0.04%	-	-	-
Shareholder's Equity % of Total Assets	88.76%	90.44%	87.20%	87.90%	88.16%
Number of Shares at year end	4,216,734	4,216,734	4,216,734	4,201,191	4,197,868

Notes:

[1] Gearing Ratio is Total Loans as a percentage of Total Liabilities plus Total Shareholders Equity

Statutory Information for the Year Ended 30 June 2021

1. CHANGES IN CAPITAL

There was no change in capital during the year.

2. DIVIDEND

A dividend was declared by the Board of Directors on 17 June 2021 on ordinary shares of 5 cents per share and was paid on 7 July 2021 to shareholders on the share register on 17 June 2021.

3. DIRECTORS

In accordance with the company's constitution, Mr S Tyler retires by rotation and, being eligible, offers himself for re-election to the Board.

4. AUDITOR

In accordance with Section 200 of the Companies Act 1993, the auditor, Grant Thornton, continues in office.

5. INTERESTS REGISTER

Transactions

Various related party transactions were conducted during the year as more particularly described in Note 23 on page 55 of the annual report.

The company has Directors' and Officers' Liability Insurance.

Loans to Directors

There were no loans by the company to Directors.

Statutory Information for the Year Ended 30 June 2021

6. DIRECTORS' REMUNERATION

The shareholders approved Directors' fees not exceeding $63,000 per annum to be divided amongst the Directors. During the year the Board of Directors approved the following remuneration for the Directors of the Company:

	2021	2020
A R Meehan	21,356	20,392
A G Beech	-	2,844
S R Tyler	13,881	13,255
J D Auld	13,881	13,255
S L Meikle	13,881	10,411

7. EMPLOYEES' REMUNERATION

Remuneration and other benefits of $100,000 or more received by employees in their capacity as employees were as follows:

	No. of Employees
$120,001-$130,000	1
$160,001-$170,000	1
$180,001-$190,000	1

Statutory Information for the Year Ended 30 June 2021

8. SHAREHOLDING BREAKDOWN

Shareholding as at 30 June 2021	Number of Shareholders	Total Shares Held	% of Share Capital
1-9,999	180	1,021,756	24.23%
10,000-49,999	35	661,563	15.69%
50,000-99,999	6	493,206	11.70%
100,000-499,999	8	2,040,209	48.38%
	229	4,216,734	100.0%

9. DIRECTORS' SHAREHOLDING

Shares held at 30 June 2021 (including beneficial interests):

A R Meehan	16,190	shares fully paid
S R Tyler	9,000	shares fully paid
J D Auld	5,000	shares fully paid
S L Meikle	1,000	shares fully paid

International Distributors

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