Building a Leading Global Super-Premium Wine Company.

DELEGAT'S GROUP LIMITED

Annual Report 2013

Annual Report Contents

Performance Highlights 2013

Delegat's Group Limited

- Achieved global case sales of 1,946,000 cases.
- Achieved sales revenue of $222.0 million.
- Achieved case price realisation of $114.1
- Achieved operating profit of $26.3 million.
- Generated cash from operations of $39.2 million.
- Acquisition of the assets of Barossa Valley Estate Limited, including a 41 hectare vineyard and 5,000 tonne winery in the Barossa Valley, South Australia.
- Record reported profit of $41.2 million.


Oyster Bay wines capture the special character of New Zealand ...elegant, assertive wines with glorious fruit flavours
Sparkling Cuvée
BRUT
Oyster Bay
NEW ZEALAND

Financial Highlights 2013

Delegat's Group Limited and Subsidiaries

YEAR ENDED 30 JUNE	2007	2008	2009	2010	2011	2012	2013
Case Sales (000's)	1,237	1,449	1,738	1,950	1,969	1,850	1,946
Sales Revenue ($m)	131.9	162.5	216.6	219.7	229.8	215.1	222.0
Average Case Price Realisation	$107	$112	$125	$113	$117	$116	$114
OPERATING PERFORMANCE							
Operating EBITDA [1,2] ($m)	41.9	36.7	60.3	50.0	55.5	54.9	56.8
Operating EBIT [3,4] ($m)	31.9	25.5	48.4	39.7	43.8	43.5	44.6
Operating EBIT % of Sales Revenue	24%	16%	22%	18%	19%	20%	20%
Operating NPAT [5,6] ($m)	13.2	9.9	26.4	21.7	23.9	25.6	26.3
Operating NPAT % of Sales Revenue	10%	6%	12%	10%	10%	12%	12%
REPORTED PERFORMANCE							
EBITDA [1] ($m)	37.9	55.3	65.0	29.6	57.1	54.8	77.5
EBIT [3] ($m)	28.0	44.1	53.1	19.3	45.4	43.3	65.3
EBIT % of Sales Revenue	21%	27%	25%	9%	20%	20%	29%
NPAT [5] ($m)	10.8	19.1	30.0	0.2	32.7	25.5	41.2
NPAT % of Sales Revenue	8%	12%	14%	0%	14%	12%	19%
EPS [8]	10.8c	19.1c	30.0c	.02c	32.6c	25.3c	40.8
Net Assets [7] ($m)	129.0	144.9	168.9	152.4	167.7	185.1	217.4
Total Assets ($m)	309.8	369.5	365.1	340.5	349.4	340.6	420.8

Notes:
1. EBITDA means earnings before interest, tax, depreciation and amortisation.
2. Operating EBITDA means EBITDA before NZ IFRS Fair Value Adjustments, impairment charges and other Non-Cash Accounting Adjustments.
3. EBIT means earnings before interest and tax.
4. Operating EBIT means EBIT before NZ IFRS Fair Value Adjustments, impairment charges and other Non-Cash Accounting Adjustments.
5. NPAT means net profit after tax attributable to ordinary Shareholders.
6. Operating NPAT means NPAT before the after tax and non-controlling interests of NZ IFRS Fair Value Adjustments, impairment charges and other Non-Cash Accounting Adjustments.
7. Net Assets means total assets less total liabilities.
8. EPS means earnings per share and is calculated on NPAT for the year divided by the weighted average number of ordinary shares on issue. 200,000 Shares issued in relation to the Employee Share Ownership Plan are subject to restrictions and are excluded from the weighted average number of shares on issue. The weighted average number of shares on issue for 2007-2010 were 100,000,000, 100,306,000 in 2011, 100,630,000 in 2012 and 100,930,000 in 2013.

Notice of Meeting

The Annual Meeting of Shareholders will be held at 2pm on Thursday 5 December 2013 in the Kawau Room, Viaduct Events Centre, 161 Halsey Street, Viaduct Basin, Auckland. This Annual Report is dated 26 August 2013 and is signed on behalf of the Board by;

ROBERT WILTON
Chairman

JIM DELEGAT
Managing Director


BAROSSA VALLEY ESTATE
E&E
Black Pepper
SHIRAZ
BAROSSA VALLEY
2006
750mL

Introducing the wines that made Barossa great.

Barossa Valley Estate is proudly recognised as an icon winery of Australia. Located on 41 hectares in Marananga, Barossa Valley, the modern 5,000 tonne winery is right in the heart of one of the world's most celebrated Shiraz and Cabernet Sauvignon regions. E&E Black Pepper Shiraz is one of Australia's finest and most renowned collectable wines, recognised as one of Australia's top 25 Benchmark wines by Wine Spectator, and classified as 'Outstanding' by Langton's since 2005. The Group's goal is to establish Barossa Valley Estate as a leading Super-Premium Barossa Shiraz and Cabernet Sauvignon brand in global markets.

Seppeltsfield Road, Marananga, Barossa Valley.

Chairman's Report

On behalf of the Board of Directors, I present to you the operating and financial results of Delegat's Group Limited (the Group) for the year ended 30 June 2013.

The Group presents its financial statements in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS). The Directors continue to be of the view that the results reported under NZ IFRS do not provide adequate insight into the Group's underlying operational performance, primarily due to a number of Fair Value Adjustments that are required to be reported on.

Accordingly, the Group has published an Operating Performance report. This supplementary report eliminates from each line in the Statement of Financial Performance all Fair Value Adjustments.

Operating Performance

An operating NPAT of $26.3 million was generated compared to $25.6 million last year. Operating EBIT of $44.6 million

OPERATING PERFORMANCE

NZ$ millions	2013 Actual	2012 Actual	% change vs 2012
Sales Revenue	**222.0**	**215.1**	**3%**
Total Operating Revenue[1]	223.1	220.1	1%
Operating Gross Profit[2]	**125.7**	**120.6**	**4%**
Operating Gross Margin	56%	56%	
Operating Expenses[3]	(81.1)	(77.1)	-5%
Operating EBIT[4]	**44.6**	**43.5**	**3%**
Operating EBIT % of Sales	20%	20%	
Interest and Tax	(18.3)	(17.9)	-2%
Operating NPAT[4]	**26.3**	**25.6**	**3%**
Operating NPAT % of Sales	12%	12%	
Operating EBITDA[4]	**56.8**	**54.9**	**4%**
Operating EBITDA % of Sales	26%	26%	

Notes:

1. Total Operating Revenue is before Fair Value Movements on Biological Assets and Derivative Instruments (if gains).
2. Operating Gross Profit is before the net Fair Value Movements on Agricultural Produce and the NZ IFRS adjustments excluded in Note 1.
3. Operating Expenses are before Fair Value Movements on Derivative Instruments (if losses) and Share-based payments.
4. Operating EBIT, EBITDA and NPAT are before items 1, 2 and 3 above.

is $1.1 million higher than last year. Operating expenses, including $1.9 million of one-off acquisition costs for Barossa Valley Estate and before NZ IFRS adjustments at $81.1 million are $4.0 million higher compared to last year.

'In-market' case price realisations are being maintained in each of the Group's major markets.

The Group achieved Sales Revenue of $222.0 million on global case sales of 1.946 million in the year. Sales Revenue is up $6.9 million on last year, and global case sales are 5% higher.

This offset the ongoing impact of adverse foreign exchange rate changes, which resulted in average case price realisation of $114.1, compared with $116.3 achieved in 2012.

NZ IFRS Fair Value Adjustments

In accordance with NZ IFRS the Group is required to account for some of their assets at 'Fair Value' rather than at historic cost. All movements in these Fair Values are reflected in and impact the Statement of Financial Performance. The Group records adjustments in respect of three significant items at the year-end:

- Biological Assets (Vines): The Group's vineyards have been revalued at the reporting date, resulting in a higher value attributable to Biological Assets of $2.9 million in 2013 (2012: $1.4 million);
- Harvest Provision Release (Grapes): Inventory is valued at market value, rather than costs incurred, at harvest. Any Fair Value Adjustment is excluded from Operating Performance for the year, by creating a Harvest Provision. This Harvest Provision is then

CASE SALES, CASE PRICE REALISATION AND FOREIGN CURRENCY

Case Sales (000's)	2013 Actual	2012 Actual	% change vs 2012
UK, Ireland and Europe	604	622	-3%
North America (USA and Canada)	670	534	25%
Australia, NZ and Asia Pacific	672	694	-3%
Total Cases	**1,946**	**1,850**	**5%**
Case Price Realisation ($)[1]	**114.1**	**116.3**	**-2%**

1. Case Price Realisation is sensitive to: Foreign currency, country and product mix.

Foreign Currency Rates	2013 Actual	2012 Actual	% change vs 2012
GB£	0.4996	0.4989	0%
AU$	0.7858	0.7704	2%
US$	0.8004	0.7689	4%
CA$	0.8216	0.8003	3%

released through Cost of Sales when inventory is sold in subsequent years. This represents the reversal of prior periods' Fair Value Adjustments in respect of biological produce as finished wine is sold in subsequent years. In 2013, the market value of the company grapes exceeded the costs incurred by $13.0 million. This difference was primarily due to the increased yields for the 2013 vintage (up 42% on last year) and higher grape prices. This write-up, plus the impact of prior years' vintages being sold has resulted in a net write-up of $14.2 million for the year (2012: $0.1 million);

- Derivative Instruments held to hedge the Group's foreign currency and interest rate exposure. The mark-to-market movement of these instruments at balance date resulted in a Fair Value write-up of $3.5 million (2012: $1.5 million write-down);

These together with minor adjustments in respect of Share-based Payments, net of taxation, amount to a write-up of $14.9 million.

Reported Accounting Performance

Accounting for all Fair Value Adjustments under NZ IFRS

IMPACT OF 'FAIR VALUE' ADJUSTMENTS

NZ$ millions	2013 Actual	2012 Actual	% change vs 2012
Operating NPAT	**26.3**	25.6	3%
Operating NPAT % of Sales	12%	12%	
NZ IFRS Fair Value Items			
Biological Assets (Vines)	2.9	1.4	117%
Net Harvest Provision (Grapes)[1]	14.2	0.1	n/m
Derivative Instruments	3.5	(1.5)	333%
Other Fair Value Items[2]	(0.0)	(0.1)	54%
Total Fair Value Items	20.6	(0.1)	n/m
Less: Tax	(5.7)	0.0	n/m
Fair Value Items after Tax	**14.9**	(0.1)	n/m
NPAT after NZ IFRS Fair Value Items	41.2	25.5	62%

Notes:

1. Harvest Provision Release is the reversal of Fair Value Adjustments in respect of biological produce sold as finished wine in subsequent years.
2. Other Fair Value Items includes accounting for Share-based Payments.

and the non-cash accounting adjustments, the Group's reported audited financial performance for the year ended 30 June 2013 is included in the table below:

Cash Flow

The Group generated Cash Flows from Operations of $39.2 million in the current year, which is a decrease of $10.4 million on the record $49.6 million achieved last year, primarily due to the investment for the higher 2013 harvest/inventory and other working capital items. A total of $73.7 million was invested in additional property, plant and equipment during the year, including the acquisition of the productive vineyards: Kaituna Vineyard in Marlborough ($13.1 million), Matariki Vineyard in Hawke's Bay ($8.5 million), and the assets of Barossa Valley Estate Limited in South Australia for NZ$28.6 million (A$24.1 million), all of which will provide earnings growth into the years ahead. The Group distributed $9.1 million to Shareholders in dividends. Additional borrowings of $41.8 million were drawn down to fund the increased investment during the year.

The Group has Net Debt of $134.9 million, compared to $91.9 million in 2012 – an increase of 47%.

FINANCIAL PERFORMANCE

NZ$ millions	2013 Actual	2012 Actual	% change vs 2012
Sales Revenue	222.0	215.1	3%
Operating NPAT	26.3	25.6	3%
Operating NPAT % of Sales	12%	12%	
NZ IFRS Fair Value Adjustments			
Fair Value Items after Tax	14.9	(0.1)	n/m
Reported NPAT	41.2	25.5	62%
Reported NPAT % of Sales	19%	12%	

Dividends

The Directors consider that the underlying operational performance and strong cash flows fully justify the maintenance of dividends. Accordingly, the Directors are pleased to advise they have approved a fully imputed dividend payout of 10.0 cents per share. The dividend will be paid on 11 October 2013 to Shareholders on record at 27 September 2013.

Our Great Wine People

I wish to take this opportunity to acknowledge Delegat's staff. The Board places on record its appreciation to each of them, whether they are in New Zealand, Australia, the United Kingdom, Ireland, Canada, the United States of America, Hong Kong and Singapore who, together with the leadership provided by the Managing Director, execute and deliver on the Group's strategy.

The Future

Your Board is confident of the Group's leading position within the New Zealand wine industry and the growth opportunities that lie ahead with the acquisition of Barossa Valley Estate. Your Board will continue to seek out opportunities that are wealth accretive and to ensure sustainable growth for the Group.

I look forward to reporting our progress at the Annual Meeting on Thursday 5 December, 2013.

ROBERT WILTON
Chairman


Oyster Bay wines capture the special character of New Zealand ...elegant, assertive wines with glorious fruit flavours
MARLBOROUGH
Pinot Noir
2012
Oyster Bay
NEW ZEALAND

The world's love affair with Oyster Bay assures its place as one of the world's most sought after Super-Premium wine brands.

The Group's strategic goal is to establish Oyster Bay as one of the world's great Super-Premium wine brands. It has become both a New Zealand and Super-Premium category benchmark brand. In many parts of the world Oyster Bay has driven the growth in Super-Premium wine and through the allure and delight of its elegant cool climate wines, is a leader in Sauvignon Blanc, Chardonnay, Pinot Gris, Merlot, Pinot Noir and Sparkling wines.

Managing Director's Report

The Group delivered another year of strong performance in 2013. It is now time to aim higher. Over the next decade the Group's strategic goal will be to build a leading global Super-Premium wine company.

JIM DELEGAT
Managing Director

I am pleased to report sales and operating performance for the year to 30 June 2013.

The Group has delivered strong performance across all key markets and demonstrated clear capability as a leader in branded Super-Premium wine through the execution of its robust business strategy.

For the last decade the Group's strategic goal has been to establish Oyster Bay as one of the world's great Super-Premium wine brands and lead New Zealand category growth. Oyster Bay is now a leading Super-Premium wine brand in New Zealand, Australia, the United Kingdom, Ireland, Canada and increasingly in the United States. As a result, Sales Revenue and Operating Net Profit After Tax have grown tenfold over the last decade to $222.0 million and $26.3 million respectively.

It is now time to aim higher. Over the next decade the Group's strategic goal will be to build a leading global Super-Premium wine company. The Group has taken some important steps on this journey in the year under review. In particular, the acquisition of Barossa Valley Estate and significant investment in vineyard purchases stand out as key highlights of the 2013 year.

New Zealand Wine Industry Review

The New Zealand wine industry remains an international success story, recognised as a leading producer of elegant cool climate wines.

New Zealand wine exports grew 3% to a record $1.21 billion. A significant portion of industry growth came from North America, with the United States and Canada growing 13% and 10% respectively.

As noted in last year's Annual Report, the small 2012 vintage corrected the industry supply imbalance earlier than expected. In the 2013 selling year exporters sought to maximise value through exporting packaged wine, which increased 4%. In contrast bulk wine shipments fell 22%. The United Kingdom witnessed the largest decline in bulk wine shipments, which has declined 41% from its peak in January 2012. The focus on packaged exports will support the industry's premium positioning on the international stage.

The record 2013 harvest was of high quality and positions the industry well to meet its growth projections. The prospects are positive for well-branded Super-Premium wine producers with established routes to market. The Group is of the view that North America represents the key growth opportunity for the next six years, whilst Asian markets including China and Japan are important longer term growth opportunities.

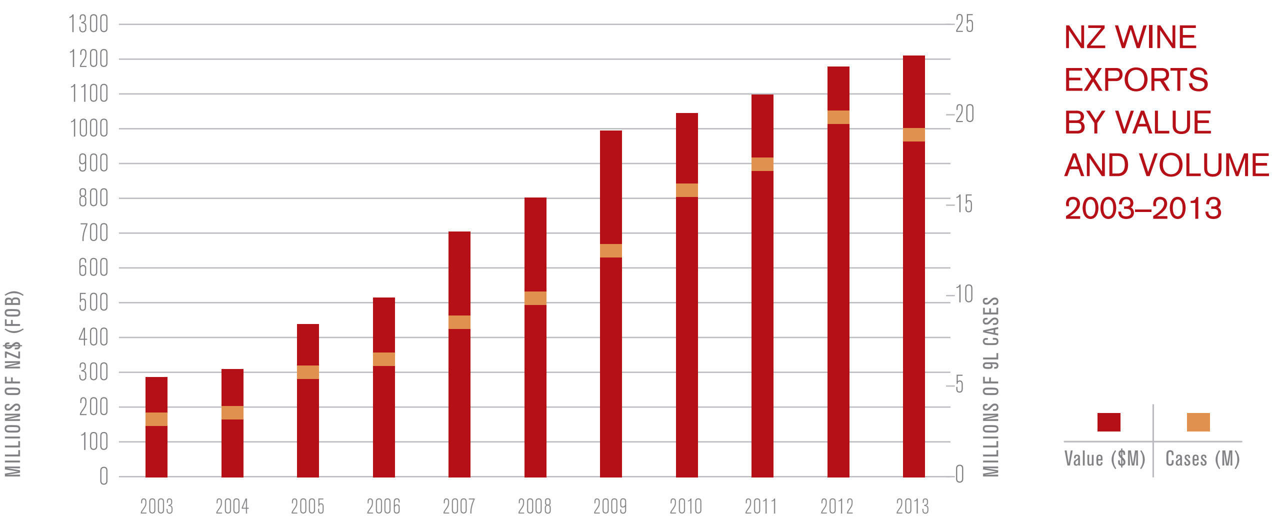
Global Sales Performance

The Group achieved global case sales of 1.946 million in the year, 5% higher than the previous year. Adverse foreign exchange rate changes have resulted in case price realisation of $114.1, compared with $116.3 achieved in 2012.

The Group has continued to invest in the development of its own in-market distribution channels to fuel growth over the long-term. The Group's Sales and Marketing arm now comprises 149 people, of whom 130 are based offshore in Australia, the United Kingdom, the United States, Canada, Singapore, Hong Kong and Ireland.

Australia, New Zealand and Asia Pacific

The Australia, New Zealand and Asia Pacific region is a combination of both established



NZ WINE EXPORTS BY VALUE AND VOLUME 2003–2013

Source: New Zealand Wine Growers Annual Report 2013 and emerging markets. Overall sales declined by 3% from 694,000 to 672,000 cases. This was primarily attributable to the challenging trading and economic conditions in Australia.

In Australia the Group has established a category leading brand presence. Oyster Bay Sauvignon Blanc is the number one selling bottled wine by value.[1] Oyster Bay has achieved leadership in the important premium Chardonnay, Pinot Noir and Merlot categories. Brand research shows that Oyster Bay continues to grow consumer affinity and advocacy; placing it amongst the top Super-Premium wine brands in Australia.[2]

New Zealand is an established market for the Group and the Oyster Bay brand continues to achieve stand out market performance as the Super-Premium category leader. Brand research indicates that Oyster Bay is New Zealand's favourite Super-Premium wine brand.[3] The recent introduction and category leading growth of Pinot Gris has shown the future potential of this new wine style.

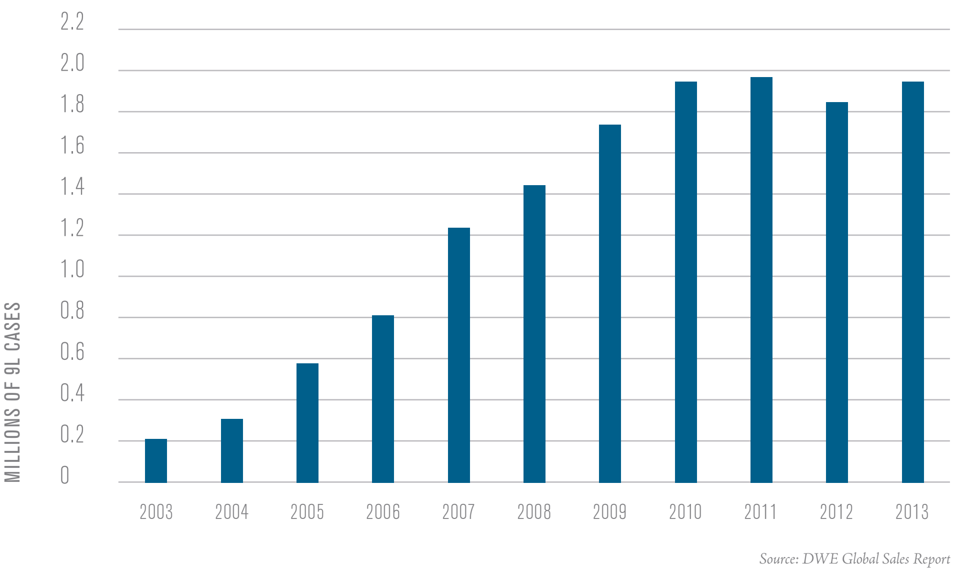
The Group achieved record sales volumes in the United Arab Emirates and in Hong Kong, and continued to grow distribution in Singapore, where Oyster Bay is listed in some of its most iconic venues.

The Group has focused on conducting detailed research in China, Japan and South Korea, with a view to establishing strategies to support long-term sales growth in these markets.

North America

The Group continued to achieve strong growth in North America, increasing sales volumes by 25% to 670,000 cases.

In the United States, the Oyster Bay brand is building upon strong foundations as a leading Super-Premium wine brand in many of the major wine consumption States. The Group has placed a strong emphasis on building its distribution base whilst implementing rate of sale initiatives to lead Super-Premium category growth. Linked to this is the Group's significant focus on achieving growth across its range of elegant cool climate wines. In



DELEGAT'S GLOBAL CASE SALES 2003–2013

1. Aztec MAT to 9 June 2013, $15 and above.
2. Wine Intelligence 2012;
3. Wine Intelligence 2012

the large premium Chardonnay category, Oyster Bay has already achieved the distinction of becoming the leading premium imported Chardonnay above $10.[4]

In Canada, the Group has again achieved strong growth. In only 4 years, since the Group established its own in-market sales team, sales have more than doubled in Canada. Sales continue to grow in all Provinces, with Quebec showing noteworthy progress. Oyster Bay Chardonnay is now the top selling Chardonnay above $15 in Canada, regardless of origin.[5] The successful introduction of Pinot Gris in British Columbia and Alberta, and the progression of Oyster Bay Sparkling to become one of Canada's leading Premium Sparkling wines, demonstrate the strong growth potential ahead.

United Kingdom, Ireland and Europe

The Group's sales volumes in this region declined by 3% to 604,000 cases. The Group successfully implemented price increases in the United Kingdom and Ireland in the second half of the year to improve profitability.

In the United Kingdom, Oyster Bay has maintained its New Zealand category leadership position and is the most recognised and recommended New Zealand wine brand.[6] Oyster Bay Sauvignon Blanc, Chardonnay, Pinot Noir and Merlot are the top selling wines above £8 by value in their respective categories.[7] Oyster Bay this year became the number one selling sparkling wine brand in the New Zealand category above £10.[8]

The Group achieved strong listings growth in the Impulse, Convenience and Wholesale sectors of the United Kingdom market, accounting for one in five bottles of New Zealand wine sold in the total Impulse Sector. The brand continues to perform strongly in key national and regional On Premise groups (restaurants and bars) generating significant opportunities for consumer trial across the Oyster Bay range of wines.

In Ireland, Oyster Bay continues to lead the New Zealand category[9] and is the number one premium New Zealand Sauvignon Blanc, Chardonnay, Pinot Noir, Merlot and Sparkling wine.[10]

Brands and Communications

The Group continues to demonstrate its ability to build global wine brands and achieve Super-Premium category leadership through consumer understanding and connection.

Research measures show Oyster Bay's strong brand progression and high consumer affinity in each of its major markets. In many parts of the world, Oyster Bay is now a leading Super-Premium wine brand on brand health measures.[11] For the second year running, Oyster Bay was named One of the World's Most Admired Wine Brands by Drinks International magazine, and in addition received the 'Hot Brand' award for the third consecutive year from New York's Impact Magazine.

The Group's most recent new product development, Pinot Gris has been successfully established in New Zealand and Canada and has significant further growth potential.

4. AC Nielsen United States, 52 weeks ending August 17, 2013, all wines over $10.
5. Canada SORT Scan Data, MAT to 31 July 2013, by value.
6. Wine Intelligence 2012
7. Nielsen United Kingdom, MAT to 27 April 2013.
8. Nielsen United Kingdom, MAT to 27 April 2013.
9. Nielsen Scan Track Republic of Ireland, MAT to 30 December 2012.
10. Nielsen Scan Track Republic of Ireland, MAT to 30 December 2012.
11. Wine Intelligence 2012.

In the year in review the Group reintroduced the Delegat brand to the New Zealand market. As one of New Zealand's most respected wine brands, the group aims to grow Delegat in select channels of distribution via its sub regional range of Super-Premium wines.

Major Awards and Accolades

The Group's wines continue to receive major awards and accolades from the world's leading wine commentators and competitions.

- Delegat Awatere Valley Pinot Noir 2012 was awarded a Gold Medal at the London International Wine Challenge 2013 in addition to receiving 4.5 stars from Michael Cooper, one of New Zealand's most recognised wine writers.
- Delegat Marlborough Sauvignon Blanc 2011 was awarded a Blue-Gold medal at the Sydney International Wine Competition 2013.
- Oyster Bay Sparkling Cuvée Rosé was rated 91/100 points by Natalie Maclean, one of Canada's most recognised wine writers.
- Oyster Bay Marlborough Pinot Noir 2012 received a Gold medal at the Dallas Morning News Wine Competition 2013.
- Consumer magazine New Zealand rated Oyster Bay Sparkling Cuvée Brut as comparable to a number of the world's most prestigious premium sparkling wine brands.[16]

2013 Harvest

The Group's 2013 harvest was 28,884 tonnes, which was 4% up on target yields and an increase of 42% compared to the 2012 vintage. Quality was excellent for all regions and varieties.

The Group has closely managed its inventory throughout the 2013 financial year. The higher

2013 harvest has allowed the Group to rebuild the depleted carry-forward inventory levels.

Sustainability

Recognition and respect for the environment are reflected in the strong leadership role the Group plays in the practice and promotion of sustainable wine growing and wine production.

As a leader in the New Zealand wine industry and as a founding member of Sustainable Winegrowing New Zealand (SWNZ) since 2002, the Group takes its responsibilities to respect and protect the environment very seriously.

The Group's New Zealand vineyards and wineries are 100% accredited by the independently audited SWNZ Sustainability Programme.

The Group continues its commitment to its very own 'Global Sustainability Initiative', designed to provide a coordinated approach to sustainable practices across its entire business, including the international markets in which it operates.

Investing for Future Growth

In 2013 the Group invested $47.4 million in capital expenditure in New Zealand and $28.6 million on the acquisition of Barossa Valley Estate.

Acquisition of New Zealand Vineyard Assets

During the year under review and the 2014 year to date, to support future sales growth, the Group has acquired prime viticultural land and producing vineyards that provide more than 400 additional planted hectares of vineyards in New Zealand's leading wine regions. In the Marlborough region, the Group has purchased land that provides for an additional 371 planted hectares of vineyards, including the fully productive 102 hectare Kaituna vineyard. Two of the acquired vineyard sites are located near the Group's Barkers vineyard, the source of Delegat Awatere Valley Pinot Noir 2012, which was awarded a gold medal at the International Wine Challenge in London.

The Group has also increased its holdings in the famed Gimblett Gravels sub region of Hawke's Bay to 160 gross hectares through the acquisition of the Matariki vineyard.

Acquisition of Barossa Valley Estate

In June the Group acquired the assets of Barossa Valley Estate including a modern 5,000 tonne winery and a 41 hectare vineyard on 80 hectares of land situated in the heart of the Barossa Valley along with assigned grape grower contracts. The other significant assets acquired were inventory.

Barossa Valley is an iconic South Australian wine region that is recognised globally for producing world-class Shiraz and Cabernet Sauvignon. The Group's goal is to build on Barossa Valley Estate's iconic position as a producer of Shiraz and to establish it as a leading Super-Premium Barossa Shiraz and Cabernet Sauvignon brand in global markets. These wine styles are complementary to the Group's current business and provide an opportunity for substantial future sales growth globally.

E&E Black Pepper Shiraz is one of Australia's finest and most renowned collectible wines, recognised as one of Australia's top 25 Benchmark wines by Wine Spectator, and classified as outstanding by Langton's since 2005. E&E Black Pepper Shiraz is a wine for collectors and discerning enthusiasts who are seeking the unique experience of savouring one of Australia's most revered wines.

Group Outlook

The Group's goal is to build a leading global Super-Premium wine company.

For the last decade the Group's strategic goal has been to establish Oyster Bay as one of the world's great Super-Premium wine brands and lead New Zealand category growth. Oyster Bay is now a leading Super-Premium wine brand in New Zealand, Australia, the United Kingdom, Ireland, Canada and increasingly in the United States. As a result, Sales Revenue and Operating Net Profit After Tax have grown tenfold over the last decade to $222.0 million and $26.3 million respectively.

Over the next decade the Group's strategic goal will be to build a leading global Super-Premium wine company. The Group will build global brands from world leading regions, focusing on the wine styles for which those regions are internationally renowned. The Group will own a significant proportion of vineyards on the best sites, work closely with our grower partners, and invest in purpose-built wineries dedicated to Super-Premium wine production. The Group will build enduring mutually rewarding relationships with customers and target Super-Premium category leadership in key global markets.

To pursue its strategic goal, the Group will focus on establishing Oyster Bay and Barossa Valley Estate as two of the world's great Super-Premium wine brands.

Oyster Bay is an established leader within the Super-Premium Sauvignon Blanc, Chardonnay, Pinot Noir and Merlot categories. There are significant global growth opportunities with these varietals together with Pinot Gris and Sparkling wine.

The Group will focus on establishing Oyster Bay and Barossa Valley Estate as two of the world's great Super-Premium wine brands.

JIM DELEGAT
Managing Director

Barossa Valley Estate provides the Group with an opportunity to build a leading Barossa Shiraz and Cabernet Sauvignon brand globally.

The Group is planning to grow sales from 1.95 million cases to 3.07 million cases over the next six years, which represents growth of 57% over the period. This planned growth will be primarily driven by continuing to drive sales growth in North America and through development of the Barossa Valley Estate brands.

The Group has built a strong distribution platform to achieve long-term sales growth with in-market sales teams well established in New Zealand, Australia, Singapore, the United Kingdom, the United States and Canada. In the 2014 year the Group will establish in-market sales operations in China and Japan.

Sales volume in the United Kingdom, Ireland and Europe region is expected to be stable over the next three years with modest growth targeted longer term. The 2014 year will be the first full year since price increases were successfully implemented in the second half of the prior year. The sales plan reflects the enduring strength of the Oyster Bay brand in these markets.

North America will be the key growth region for the Group over the next six years with strong growth projected to continue in both the United States and Canada. The region will become the Group's largest by sales volume in 2014. The Group plans to increase sales volume in the region to 1.01 million cases by 2016 and 1.39 million cases by 2019. This growth will provide in-market distribution scale benefits.

In Australia, New Zealand and the Asia Pacific region, sales volume is projected to decline by 8% in 2014 primarily due to lower sales in Australia where economic conditions are weak. Sales volumes are expected to return to growth in 2015 and 2016.

Longer term sales growth in Asia and from Barossa Valley Estate underpins projected growth in the region.

Investing for Growth

The Group is investing in significant capital expenditure to support its growth plan and to achieve sustainable competitive advantage in terms of both quality and supply. As noted earlier, in 2013 the Group invested $47.4 million in capital expenditure in New Zealand and $28.6 million on the acquisition of Barossa Valley Estate.

The Group will invest a further $132 million in capital expenditure over the next three years to support the sales growth plan through until 2019. The capital expenditure plan includes building a 10,000 tonne capacity Hawke's Bay winery, expansion of the Marlborough winery and vineyard development. The Group's intention is to fund this capital expenditure using a combination of retained earnings and debt.

Outlook Summary

The Group has achieved tenfold growth over the last decade and is now aiming higher, with its new strategic goal to build a leading global Super-Premium wine company. To pursue this goal, the

CASE SALES, CASE PRICE REALISATION AND FOREIGN CURRENCY

Case Sales (000's)	2013 Actual	2014 Forecast	2015 Projection	2016 Projection	2017 Projection	2018 Projection	2019 Projection
UK, Ireland and Europe	604	576	589	607	628	660	694
North America (USA and Canada)	670	788	892	1,012	1,124	1,256	1,386
Australia, NZ and Asia Pacific	672	621	678	732	796	901	990
	1,946	**1,985**	**2,159**	**2,351**	**2,548**	**2,817**	**3,070**
Oyster Bay[1]	1,946	1,976	2,109	2,250	2,395	2,594	2,777
Barossa Valley Estate	–	9	50	101	153	223	293
	1,946	**1,985**	**2,159**	**2,351**	**2,548**	**2,817**	**3,070**
Case Price Realisation ($)[2]	**114.1**	**113.0**	**113.7**	**114.8**	**117.3**	**119.7**	**122.1**

Foreign Currency[3]	2013 Actual	2014 Forecast	2015 Projection	2016 Projection	2017 Projection	2018 Projection	2019 Projection
GB£	0.4996	0.5246	0.5155	0.5083	0.5083	0.5083	0.5083
AU$	0.7858	0.8587	0.8647	0.8637	0.8637	0.8637	0.8637
US$	0.8004	0.7862	0.7724	0.7670	0.7670	0.7670	0.7670
CA$	0.8216	0.8153	0.7995	0.7931	0.7931	0.7931	0.7931

Notes:
1. Includes Delegat brand in New Zealand
2. Case Price Realisation is sensitive to Foreign Currency, Country and Product Mix
3. Exchange Rates are based on NZIER Consensus Forecasts as at July 2013

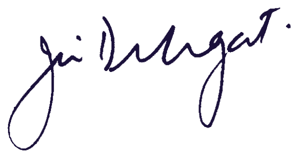
Group will focus on establishing Oyster Bay and Barossa Valley Estate as two of the world's great Super-Premium wine brands.

The Group is planning to grow sales from 1.95 million cases to 3.07 million cases over the next six years, which represents growth of 57% over the period. This planned growth will be primarily driven by continuing to drive sales growth in North America and through development of the Barossa Valley Estate brands.

The Group continues to develop its strong distribution platform and is investing in high quality assets to support growth. The Group has a strong business model and is focused on building a leading global Super-Premium wine company that delivers sustainable earnings growth.

Our People

Delegat's is a vertically integrated, multinational organisation with talented teams in major wine producing regions and markets around the world. They manage some of the world's most highly regarded wineries, vineyards, and brands along with a powerful global supply chain and distribution infrastructure. They come from different countries and cultures but all share a common goal of best in class performance and impeccable delivery of the Group's strategic plan. I wish to personally thank each of our Great Wine People for their commitment to our business and results they have collectively achieved.



JIM DELEGAT
Managing Director


DELEGAT
Awatere Valley
SAUVIGNON BLANC | 2012

It's not about departing from tradition but taking tradition to a whole new place.

Delegat is one of New Zealand's most trusted and respected wine brands. With 60 years behind us, we are excited to take the Delegat brand somewhere new. This year we introduced the New Zealand market to an entirely new and exciting Delegat brand, and range of Super-Premium wines. The wines are an expression, a single-minded passion, unbounded commitment to make the best wines from two of our most exciting, and diverse wine regions – Hawke's Bay's Crownthorpe Terraces and Marlborough's Awatere Valley. We have removed all tiers to the range, and created new beautifully crafted packaging. We are unreservedly proud of each of these wines, and their future in the New Zealand marketplace.

The Awatere Valley, Marlborough.

Board of Directors

The Board of Delegat's Group Limited is responsible for the strategic direction of the Group and ensuring the Group is properly managed to protect and enhance Shareholders' interest.

Some of the key responsibilities of the Board include:

- Adopting the strategic plans of the Group, set by the Managing Director in conjunction with the Group's senior management team;
- Monitoring the Group's operational and financial performance; and
- Ensuring the Group develops effective policies and procedures concerning disclosure of important information to the market and Shareholders.

The Board has adopted what it believes are appropriate corporate governance policies and procedures, which it regularly reviews to ensure that the Group's responsibilities and obligations are met. The principal corporate governance policies concern:

- The appointment and retirement of Directors;
- The composition and performance of the Board;
- The balance between executive and independent Directors;
- Directors' access to independent professional advice; and
- The constitution and operation of Board Committees, comprising Directors, and in some cases representatives of the Group's senior management team. The Board has formally constituted an Audit and Compliance Committee.

The Board currently comprises five Directors, four of whom are non-executive (Robert Wilton, Rose Delegat, Alan Jackson, Jane Freeman); three of whom are non-independent (Robert Wilton, Jim Delegat, Rose Delegat) and two of whom are independent (Alan Jackson, Jane Freeman) as defined in the Listing Rules.

The Board of Delegat's Group Limited meets formally a minimum of six times during the financial year and regularly holds additional meetings to deal with specific matters faced by the Group.

ROBERT (BOB) WILTON, MCOM (HONS), ACA
CHAIRMAN OF DIRECTORS

Bob is the Non-Executive Chairman of Delegat's Group Limited with specific responsibilities for the financial management of the Group. He is a Senior Lecturer and past Head of Department, Department of Accounting and Finance at the University of Auckland Business School, a member of the New Zealand Institute of Chartered Accountants and the Institute of Directors. Bob brings to the Board considerable experience in business, particularly through Merchant and Investment Banking, and is a past Chairman of the New Zealand Venture Capital Association.

JAKOV (JIM) DELEGAT
MANAGING DIRECTOR

Jim Delegat is the Managing Director of Delegat's Group Limited. He has been involved in the New Zealand wine industry all his working life and is thoroughly experienced in every aspect of the business. Jim is one of only a handful of second generation family wine producers in the country. Active in industry affairs, Jim is currently an alternate Director of both the Wine Institute of New Zealand and New Zealand Winegrowers, having previously served on the Board of the Wine Institute of New Zealand for more than 13 years. He is a member of the Institute of Directors.

ROSE DELEGAT
NON-EXECUTIVE DIRECTOR

Rose Delegat is Non-Executive Director of Delegat's Group Limited. The Group continues to benefit from Rose's experience and the expertise that she has given the company for more than 25 years. Rose was responsible for initiating the Group's drive into export markets in the 1980's and was the inaugural Chairperson (1987 – 1990) of the special United Kingdom Exporting Group, part of the Wine Institute of New Zealand. She is a member of the Institute of Directors.

Board of Directors

DR ALAN JACKSON
NON-EXECUTIVE INDEPENDENT DIRECTOR

Alan was until 2009 Chairman Australasia, Senior Vice President and Director of The Boston Consulting Group. He has been an international management consultant since 1987 with The Boston Consulting Group and has proven experience at the most senior levels of international and government business. Alan has worked across a range of industries internationally, including consumer goods companies, supermarkets and retailers, in addition to industrial and resource companies. Alan headed The Boston Consulting Group's Consumer Goods and Retail practice in Australasia and Asia Pacific. Alan is a Fellow of the Institution of Professional Engineers and a member of the Australian Institute of Directors. He is Chairman of Housing New Zealand Limited, a Director of Fletcher Building Limited and Aurora Vineyard Limited, and a Trustee of The Icehouse, Auckland.

JANE FREEMAN BCOM
NON-EXECUTIVE INDEPENDENT DIRECTOR

Jane is prominent in the field of customer-driven technology. She has held senior marketing and management positions at Telecom, BankDirect, Clear Communications Limited and ASB Bank Limited. Jane is currently Chairperson of Pumpkin Patch Limited and Director of ASB Bank and Foodstuffs North Island.

Directors' Responsibility Statement

The Directors are responsible for ensuring that the financial statements give a true and fair view of the financial position, financial performance and cashflows for the Group as at 30 June 2013.

The Directors consider that the financial statements of the Group have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Group and the compliance of the financial statements with the Financial Reporting Act 1993.

The Directors consider they have taken adequate steps to safeguard assets of the Group.

The Directors have pleasure in presenting the following financial statements for the year ended 30 June 2013.

The Board of Directors of the Group authorised these financial statements for issue on 26 August 2013.

For, and on behalf of, the Board.

ROBERT WILTON
Chairman

JIM DELEGAT
Managing Director

26 August 2013

Statement of Financial Performance

	Notes	GROUP 2013 $000	GROUP 2012 $000	PARENT 2013 $000	PARENT 2012 $000
Sales		222,041	215,058	–	–
Fair value movement on biological assets	15	2,947	1,358	–	–
Other revenue	4	4,672	5,183	33,930	5,430
Revenue		229,660	221,599	33,930	5,430
Cost of sales		83,125	99,340	–	–
Gross profit		146,535	122,259	33,930	5,430
Selling, marketing and promotion expenses	5a	68,995	65,869	–	–
Corporate governance expenses	5b	829	795	654	646
Administration expenses	5c	11,341	12,079	1,085	1,131
Finance costs	5d	7,090	7,806	–	–
Total expenses		88,255	86,549	1,739	1,777
Profit before income tax		58,280	35,710	32,191	3,653
Income tax expense	16	17,064	10,260	1,087	1,040
Profit for the Year attributable to Shareholders of the Parent Company		41,216	25,450	31,104	2,613

	Notes	GROUP 2013	GROUP 2012
Earnings Per Share			
– Basic earnings per share (cents per share)	25	40.84	25.29
– Fully diluted earnings per share (cents per share)	25	40.76	25.17

The accompanying notes form part of these financial statements

Statement of Other Comprehensive Income

		GROUP		PARENT	
	Note	2013 $000	2012 $000	2013 $000	2012 $000
Profit after income tax		**41,216**	25,450	**31,104**	2,613
Other comprehensive income that may subsequently be classified to the profit and loss:					
– Translation of foreign subsidiaries	6c	(442)	3	–	–
– Income tax relating to components of other comprehensive income		–	–	–	–
Total comprehensive income for the year, net of tax		40,774	25,453	31,104	2,613
Comprehensive income attributable to Shareholders of the Parent Company		**40,774**	25,453	**31,104**	2,613

The accompanying notes form part of these financial statements

Statement of Changes in Equity

For the year ended 30 June 2013 – Group

	Share Capital $000	Foreign Currency Translation Reserve $000	Share-based Payment Reserve $000	Retained Earnings $000	Total Equity $000
Balance at 30 June 2012	48,779	(2,625)	636	138,339	**185,129**
Changes in equity for the year ended 30 June 2013					
Other comprehensive income					
– Translation of foreign subsidiaries	–	(442)	–	–	(442)
Total other comprehensive income	–	(442)	–	–	(442)
– Net profit for the year	–	–	–	41,216	**41,216**
Total comprehensive income for the year	–	(442)	–	41,216	**40,774**
Equity Transactions					
– Shares issued	633	–	(88)	–	545
– Dividends paid to shareholders	–	–	18	(9,109)	(9,091)
– Share-based payments expense	–	–	35	–	35
Balance at 30 June 2013	49,412	(3,067)	601	170,446	**217,392**

For the year ended 30 June 2012 – Group

	Share Capital $000	Foreign Currency Translation Reserve $000	Share-based Payment Reserve $000	Retained Earnings $000	Total Equity $000
Balance at 30 June 2011	48,779	(2,628)	526	120,979	**167,656**
Changes in equity for the year ended 30 June 2012					
Other comprehensive income					
– Translation of foreign subsidiaries	–	3	–	–	3
Total other comprehensive income	–	3	–	–	3
– Net profit for the year	–	–	–	25,450	**25,450**
Total comprehensive income for the year	–	3	–	25,450	**25,453**
Equity Transactions					
– Dividends paid to shareholders	–	–	34	(8,090)	(8,056)
– Share–based payments expense	–	–	76	–	76
Balance at 30 June 2012	48,779	(2,625)	636	138,339	**185,129**

The accompanying notes form part of these financial statements

Statement of Changes in Equity *continued*

For the year ended 30 June 2013 – Parent

	Share Capital $000	Foreign Currency Translation Reserve $000	Share-based Payment Reserve $000	Retained Earnings $000	Total Equity $000
Balance at 30 June 2012	48,779	–	636	14,710	**64,125**
Changes in equity for the year ended 30 June 2013					
Other comprehensive income					
– Net profit for the year	–	–	–	31,104	**31,104**
Total comprehensive income for the year	–	–	–	31,104	**31,104**
Equity Transactions					
– Shares issued	633	–	(88)	–	**545**
– Dividends paid to shareholders	–	–	18	(9,109)	**(9,091)**
– Share-based payments	–	–	35	–	**35**
Balance at 30 June 2013	49,412	–	601	36,705	**86,718**

For the year ended 30 June 2012 – Parent

	Share Capital $000	Foreign Currency Translation Reserve $000	Share-based Payment Reserve $000	Retained Earnings $000	Total Equity $000
Balance at 30 June 2011	48,779	–	526	20,187	**69,492**
Changes in equity for the year ended 30 June 2012					
Other comprehensive income					
– Net profit for the year	–	–	–	2,613	**2,613**
Total comprehensive income for the year	–	–	–	2,613	**2,613**
Equity Transactions					
– Dividends paid to shareholders	–	–	34	(8,090)	**(8,056)**
– Share–based payments	–	–	76	–	**76**
Balance at 30 June 2012	48,779	–	636	14,710	**64,125**

The accompanying notes form part of these financial statements

Statement of Financial Position

	Notes	GROUP 2013 $000	GROUP 2012 $000	PARENT 2013 $000	PARENT 2012 $000
Equity					
Share capital	6	49,412	48,779	49,412	48,779
Foreign currency translation reserve	6c	(3,067)	(2,625)	–	–
Share-based payment reserve	6c	601	636	601	636
Retained earnings		170,446	138,339	36,705	14,710
Total Equity		217,392	185,129	86,718	64,125
Liabilities					
Current Liabilities					
Trade payables and accruals	9	33,745	29,106	206	331
Derivative financial instruments	10	1,133	1,668	–	–
Income tax payable		2,484	2,803	282	311
		37,362	33,577	488	642
Non-Current Liabilities					
Deferred tax liability	16	27,458	22,113	–	–
Derivative financial instruments	10	1,185	4,118	–	–
Interest-bearing loans and borrowings	11	137,450	95,650	–	–
		166,093	121,881	–	–
Total Liabilities		203,455	155,458	488	642
Total Equity and Liabilities		420,847	340,587	87,206	64,767

The accompanying notes form part of these financial statements

Statement of Financial Position *continued*

	Notes	GROUP 2013 $000	GROUP 2012 $000	PARENT 2013 $000	PARENT 2012 $000
Assets					
Current Assets					
Cash and cash equivalents		2,570	3,725	5	12
Trade and other receivables	12	37,093	36,820	29	82
Derivative financial instruments	10	1,279	1,150	–	–
Income tax receivable		28	51	–	–
Inventories	13	87,336	64,793	–	–
		128,306	106,539	34	94
Non-Current Assets					
Property, plant and equipment	14	233,401	185,972	–	–
Biological assets	15	58,907	47,883	–	–
Derivative financial instruments	10	–	51	–	–
Deferred tax asset	16	233	142	5	5
Investment in subsidiaries	19	–	–	2,842	2,807
Intercompany amounts receivable	20	–	–	84,325	61,861
		292,541	234,048	87,172	64,673
Total Assets		420,847	340,587	87,206	64,767

For, and on behalf of, the Board who authorised the issue of the financial statements on 26 August 2013.

RL Wilton, Director

JN Delegat, Director

The accompanying notes form part of these financial statements

Statement of Cash Flows

	Note	GROUP 2013 $000	GROUP 2012 $000	PARENT 2013 $000	PARENT 2012 $000
Operating Activities					
Cash was provided from					
Receipts from customers		222,783	223,939	–	–
Interest received		47	34	19	2
Income tax received		41	9	–	–
Net GST (paid)/received		(500)	422	3	(3)
		222,371	224,404	22	(1)
Cash was applied to					
Payments to suppliers and employees		149,995	145,291	1,586	1,722
Payments to grape growers		14,056	11,848	–	–
Interest paid		6,981	7,662	–	–
Income tax paid		12,092	10,008	1,117	678
		183,124	174,809	2,703	2,400
Net Cash Inflows/(Outflows) from Operating Activities	23	39,247	49,595	(2,681)	(2,401)
Investing Activities					
Cash was provided from					
Proceeds from sale of property, plant and equipment		167	584	–	–
Dividends received		18	43	28,402	34
		185	627	28,402	34
Cash was applied to					
Purchase of property, plant and equipment		38,641	12,367	–	–
Purchase of biological assets		6,001	–	–	–
Capitalised interest paid		272	158	–	–
Capitalised lease payments		130	130	–	–
Acquisition of subsidiaries		28,678	–	–	–
		73,722	12,655	–	–
Net Cash (Outflows)/Inflows from Investing Activities		(73,537)	(12,028)	28,402	34

The accompanying notes form part of these financial statements

Statement of Cash Flows *continued*

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Financing Activities				
Cash was provided from				
Proceeds from issue of shares	545	–	545	–
Proceeds from borrowings	48,213	10,497	–	–
Advances and loans to subsidiaries	–	–	(17,169)	10,452
	48,758	10,497	(16,624)	10,452
Cash was applied to				
Dividends paid to shareholders	9,104	8,085	9,104	8,085
Repayment of borrowings	6,436	39,530	–	–
Borrowing facility fees	60	–	–	–
	15,600	47,615	9,104	8,085
Net Cash Inflows/(Outflows) from Financing Activities	33,158	(37,118)	(25,728)	2,367
Net (Decrease)/Increase in Cash Held	(1,132)	449	(7)	–
Cash and cash equivalents at beginning of the year	3,725	3,285	12	12
Effect of exchange rate changes on foreign currency balances	(23)	(9)	–	–
Cash and Cash Equivalents at End of the Year	2,570	3,725	5	12

The accompanying notes form part of these financial statements

Statement of Accounting Policies

Reporting Entity

The financial statements presented are those of Delegat's Group Limited (the Parent) and its subsidiaries (the Group). Delegat's Group Limited is a company limited by shares, incorporated and domiciled in New Zealand, registered under the Companies Act 1993, and is an issuer in terms of the Financial Reporting Act 1993. The Parent shares are publicly traded on the New Zealand Stock Exchange.

The financial statements comprise the statement of financial performance, statement of other comprehensive income, statement of changes in equity, statement of financial position, statement of cash flows and accounting policies, as well as the notes to the financial statements. The financial statements for the Group and the Parent for the year ended 30 June 2013 were authorised for issue in accordance with a resolution of the Directors on 26 August 2013.

Basis of Preparation

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZ GAAP) and the requirements of the Companies Act 1993 and the Financial Reporting Act 1993. These financial statements are presented in New Zealand Dollars, rounded to the nearest thousand. They are prepared on a historical cost basis except for derivative financial instruments, biological assets and produce which have been measured at fair value.

The preparation of the financial statements requires the Group to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may vary 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 estimates are revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Statement of Compliance

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards and other applicable Financial Reporting Standards (NZ IFRS), as applicable to the Group as a profit-oriented entity. The financial statements comply with International Financial Reporting Standards (IFRS).

New Accounting Standards and Interpretations

There have been no changes in accounting policy during the current year.

Statement of Accounting Policies *continued*

Standards and Interpretations that have recently been issued or amended, but are not yet effective, have not been adopted by the Group for the annual reporting period ending 30 June 2013. These are outlined in the following table:

Reference	Title	Group Application Date*	Summary	Impact on Group
Improvements to NZ Equivalents to IFRS	Amendments to New Zealand Accounting Standards arising from the Annual Improvements Project (Improvements Project) - NZ IFRS 1, NZ IAS 1, NZ IAS 16, NZ IAS 32 and NZ IAS 34	1 July 2013	The amendments to some standards result in accounting changes for presentation, recognition or measurement purposes, while some amendments relate to terminology and editorial changes that are expected to have no or minimal effect. The main changes that will have an impact on the Group are:	
	Amendments to NZ IAS 1: Presentation of Financial Statements		The amendments to this standard clarify the minimum comparative information required to be included in financial statements, the requirements when additional voluntary comparative information is provided, and the requirements when the entity is required to present a third statement of financial position as a result of a change in accounting policy, retrospective restatement or reclassification.	The Group's financial statements currently comply with the requirements of these amendments and therefore no additional comparative disclosures will be required. Where the Group applies a change in accounting policy, retrospective restatement or reclassification, the Group will be required to include additional comparative information in accordance with these amendments.
	Amendment to NZ IAS 16: Property, Plant and Equipment		The amendment to this standard clarifies that spare parts, stand-by equipment and servicing equipment should be recognised in accordance with NZ IAS 16 when they meet the definition of property, plant and equipment, rather than included in inventory and expensed when consumed.	The Group's current treatment of spare parts is in accordance with this amendment and therefore it is not anticipated that the amendment will have any financial impact on the Group.
	Amendment to NZ IAS 32: Financial Instruments: Presentation		The amendment to NZ IAS 32 clarifies that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction shall be accounted for in accordance with NZ IAS 12. Previously NZ IAS 32 specified that these should be recorded within equity.	The Group considers these amendments will result in no change to the Group's current tax treatment of equity transactions undertaken.
	Amendments to NZ IAS 34: Interim Financial Reporting		The amendments to this standard clarify the disclosure requirements in relation to segment information for total assets and liabilities in interim financial statements to make the requirements consistent with NZ IFRS 8: Operating Segments.	The segment information in the Group's interim financial statements already meet the requirements of this amendment and therefore no additional disclosures will be required.

For fiscal periods beginning on or after

Statement of Accounting Policies *continued*

Reference	Title	Group Application Date*	Summary	Impact on Group
NZ IFRS 10	NZ IFRS 10: Consolidated Financial Statements	1 July 2013	This new standard replaces all of the guidance on control and consolidation in NZ IAS 27: Consolidated and Separate Financial Statements. NZ IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control, including special purpose entities. The revised definition focuses on the need to have both power and variable returns over the entity before control is present. The standard includes extensive application guidance that address the different ways in which a reporting entity might control another entity.	The new standard does not change how entities within a Group are consolidated, only whether entities are required to be consolidated, based on the revised definition of control. The Group considers that the Group will continue to control its existing subsidiaries under the new standard, due to having voting rights which entitle the Group to variable returns from them, and there are no other entities which will meet the revised definition of control for the Group. Therefore it is not anticipated that the new standard will have an impact on the Group.
NZ IFRS 12	NZ IFRS 12: Disclosure of Interests in Other Entities	1 July 2013	This new standard sets out the required disclosures for entities reporting under NZ IFRS 10 and NZ IFRS 11: Joint Arrangements and replaces the disclosure requirements currently found in NZ IAS 28: Investments in Associates. It also requires entities to disclose information that helps users to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates and joint arrangements	Having reviewed the new standard and the current disclosures around the Group's interests in subsidiary entities we do not anticipate that the new standard will require significant additional disclosures.
NZ IFRS 13	NZ IFRS 13: Fair Value Measurement	1 July 2013	This new standard replaces the fair value measurement guidance contained in individual IFRSs with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. The new standard does not introduce new requirements to measure assets or liabilities at fair value.	The Group currently only measures biological assets and produce under NZ IAS 41 and certain financial assets and liabilities (e.g. derivative financial instruments) at fair value. The new standard will provide guidance for the calculation of the fair value of these assets and liabilities. To date the Group has not completed a formal assessment of whether the new standard will affect the fair value of the assets measured at fair value under the existing guidance. There will likely be additional disclosures required following the implementation of the new standard of the methods used to determine fair value of these assets.

** For fiscal periods beginning on or after*

Statement of Accounting Policies *continued*

Reference	Title	Group Application Date*	Summary	Impact on Group
NZ IAS 27	NZ IAS 27: Separate Financial Statements (2011)	1 July 2013	The amendments to NZ IAS 27 remove the accounting and disclosure requirements for consolidated financial statements, as a result of the issue of NZ IFRS 10 and NZ IFRS 12, which establish new consolidation and disclosure standards. The amended NZ IAS 27 contains accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	The Group prepares separate financial statements for several of its subsidiaries including Delegat's Group Limited (the Parent). Management do not believe the amendments to NZ IAS 27 will effect the preparation of these financial statements.
NZ IFRS 7	NZ IFRS 7: Financial Instruments: Disclosures - Offsetting Financial Assets and Liabilities	1 July 2013	The amendments require an entity to disclose additional information to enable users of its financial statements to evaluate the effect or potential effect of netting agreements on the entity's statement of financial position. These include the requirement to show the gross amounts of those recognised assets and liabilities, the amounts that are set-off, net amounts presented in the statement of financial position, and the amounts subject to an enforceable master netting arrangement.	The Group may be required to include additional disclosures to enable users to evaluate the effect of netting arrangements on its Statement of Financial Position, including the gross amount of those recognised assets and liabilities, the amounts that are set-off, and the net amounts presented in the Statement of Financial Position.
NZ IAS 32	Amendments to NZ IAS 32: Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	1 July 2014	The amendments to NZ IAS 32 clarify the guidance in relation to the offset of financial assets and liabilities. The additional guidance in these amendments specifies that to have a legally enforceable right of set-off, it must not be contingent on a future event, and must be enforceable in the normal course of business, the event of default and the event of insolvency or bankruptcy, of the entity and all of the counterparties. The guidance also requires the consideration of whether the right of set-off would still be available in each jurisdiction in the event of bankruptcy or insolvency.	The Group will be required to review where it currently offsets financial assets and financial liabilities to ensure it continues to be in accordance with the revised guidance in all jurisdictions.

** For fiscal periods beginning on or after*

Statement of Accounting Policies *continued*

Reference	Title	Group Application Date*	Summary	Impact on Group
NZ IFRS 9 (2009)	NZ IFRS 9: Financial Instruments	1 July 2015	This standard was the first of several standards that aim to replace NZ IAS 39: Financial Instruments: Recognition and Measurement. This standard relates to financial assets - their classification and measurement. The revised standard requires that financial assets be classified on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Financial assets are initially recognised at fair value - or if the business model accounting supports it - cost, adjusted for transaction costs and subsequently measured at amortised cost.	Financial assets of the Group are measured at amortised cost with the exception of foreign currency forward exchange contracts which are held at fair value. The accounting and measurement of these financial assets is consistent with the revised standard.
NZ IFRS 9 (2010)	NZ IFRS 9: Financial Instruments	1 July 2015	In November 2010, the requirements for classifying and measuring financial liabilities were added to NZ IFRS 9. In these amendments the existing requirements for the classification of financial liabilities and the ability to use the fair value option from NZ IAS 39 have been retained. However, where the fair value option is used for financial liabilities the change in fair value is required to be accounted for as follows: - the change attributable to the entity's own credit risk is to be presented in Other Comprehensive Income; - the remaining change is presented in the Statement of Financial Performance; and - If this approach creates or enlarges an accounting mismatch in the Statement of Financial Performance, the effect of changes in the entity's credit risk are also presented in the Statement of Financial Performance.	Financial liabilities of the Group are measured at amortised cost with the exception of financial liabilities for foreign currency forward exchange contracts and options or interest rate swaps which are held at fair value. The classification and measurement of these will remain the same under NZ IFRS 9. However for those financial liabilities held at fair value the Group will be required to separate the fair value movement that relates to changes in the Group's credit risk and record this through Other Comprehensive Income rather than through the Statement of Financial Performance where the remaining change in value will be recorded.
NZ IFRS 7	Amendments to NZ IFRS 7: Financial Instruments: Disclosures - Transition Disclosures	1 July 2015	The amendments to NZ IFRS 7 remove the requirement for the restatement of comparative period financial statements upon initial application of the classification and measurement requirements of NZ IFRS 9. Instead the amendments introduce additional disclosures on transition where the measurement classification of financial assets and financial liabilities under NZ IFRS 9 differs from their previous classification under NZ IAS 39.	Management do not consider there will be any changes in measurement classification of financial assets or financial liabilities on transition to NZ IFRS 9. If there are any changes in the measurement classification on transition the Group will not be required to restate the comparative periods, but will be required to include additional disclosures for the financial assets and financial liabilities which have been reclassified.

** For fiscal periods beginning on or after*

Statement of Accounting Policies *continued*

The specific accounting policies that materially affect the measurement of the statement of financial performance, statement of other comprehensive income, statement of changes in equity, statement of financial position and statement of cash flows are set out below.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Parent and the Group as at 30 June 2013 and 30 June 2012.

Subsidiaries are those entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether a group controls another entity. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies. The effects of intercompany transactions are eliminated in preparing the consolidated financial statements.

Subsidiaries are fully consolidated from the date on which control is obtained by the Group and cease to be consolidated from the date on which control is transferred out of the Group. Investments in subsidiary companies held by the Parent are accounted for at cost in the Parent financial statements. The acquisition of subsidiaries is accounted for using the acquisition method of accounting as noted below.

Business Combinations

The acquisition method of accounting is used to account for all business combinations regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given, shares issued or liabilities incurred or assumed at the date of exchange. Where equity instruments are issued in a business combination, the fair value of the instruments is their published market price at the date of the exchange unless, in rare circumstances, it can be demonstrated that the published price at the date of exchange is an unreliable measure of fair value. Transaction costs arising on the issue of equity instruments are recognised directly within equity.

Except for non-current assets or disposal groups classified as held for sale (which are measured at fair value less costs to sell), all identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values as at acquisition date, irrespective of the extent of any non-controlling interests. The excess of the cost of the business combination over the net fair value of the Group's share of the identifiable net assets acquired is recognised as goodwill. If the cost of the acquisition is less than the Group's share of the net fair value of the identifiable net assets of the subsidiary, the difference is recognised as a gain in the statement of financial performance, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of the consideration is deferred, the amounts payable in the future are discounted to the present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowings could be obtained from an independent financier under comparable terms and conditions.

Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purposes of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or group of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purposes and is not larger than a segment based on the Group's accounting policy in the determination of operating segments.

Impairment is determined by assessing the recoverable amount of the cash-generating unit or group of cash-generating units, to which the goodwill relates. When the recoverable amount of the cash-generating unit (or group of cash-generating units)

Statement of Accounting Policies *continued*

Goodwill (continued)

is less than the carrying amount, an impairment loss is recognised. When goodwill forms part of a cash-generating unit and an operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised on goodwill are not subsequently reversed.

Segment Reporting

An operating segment is a reportable segment if the operating segment engages in business activities in which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker and for which discrete financial information is available.

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria have been applied to each individual classification of revenue:

i) Sale of Goods

The primary source of revenue earned by the Group is through providing wine to third party retailers and distributors. Revenue is recognised when the significant risks and rewards of ownership have passed to the buyer and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Risks and rewards of ownership are considered passed to the buyer at the time of delivery of goods to the customer.

ii) Interest Revenue

Revenue is recognised as interest accrues using the effective interest rate method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

iii) Dividends

Revenue is recognised when the right to receive payment is established.

iv) Fair Value of Grape Vines

Changes in the fair value less estimated point of sale costs of grape vines are recognised in the statement of financial performance in the year they arise.

Income Tax

Current tax assets and liabilities for the current and prior periods are measured as the amount expected to be recovered from, or paid to, the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided for all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all, or part of, the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Statement of Accounting Policies *continued*

Income Tax (continued)

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of financial performance.

Deferred tax assets and liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Goods and Services Tax (GST)

The statement of financial performance, statement of other comprehensive income, statement of changes in equity and statement of cash flows have been prepared so that all components are stated net 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.

Foreign Currencies

i) Functional and Presentation Currency

Both the functional currency and presentation currency of the Group is the New Zealand Dollar. Each subsidiary company in the Group determines its own functional currency and uses that functional currency for its individual financial statements. Subsidiary companies with a different functional currency than that of the Group are translated through converting all reported assets and liabilities at the closing rate at the date of the balance sheet, while income and expenses are translated at exchange rates at the dates of the transactions. Any resulting exchange differences are recognised as a separate component of equity.

ii) Transactions and Balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities in the statement of financial position.

Accounts Receivable

Trade receivables generally have 30 to 90 day terms, and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for any uncollectable amounts. Collectability of trade receivables is reviewed on an ongoing basis. Debts that are known to be uncollectable are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that the Group will not be able to collect the debt.

Inventories

i) Finished Goods

Inventories are valued at the lower of cost or net realisable value. Costs of finished goods sold are assigned on a weighted average cost basis. Included within the cost of inventory is the fair value of the grapes (agricultural produce) at the time the grapes are harvested. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

ii) Growing Costs where the Group maintains a Beneficial Ownership in Vine Stock

Harvesting of the grape crop is ordinarily performed in late March or early April. Costs incurred in growing the grapes, including any applicable harvest costs, are initially allocated into the cost of inventory as part of the total costs to acquire and grow the agricultural produce. At the point of harvest, a fair value adjustment is made so that the cost per tonne is adjusted to fair value in accordance with NZ IAS 41: Agriculture. The fair value of grapes is determined by reference to market prices for grapes in the local area, at the time of harvest.

Statement of Accounting Policies *continued*

ii) Growing Costs where the Group maintains a Beneficial Ownership in Vine Stock (continued)

Any difference between cost and fair value is included within the statement of financial performance as cost of sales. At the point of harvest, management labour and vineyard lease costs have been separately identified from the pool of growing costs and do not form part of the difference between cost and fair value. These costs are expensed to the statement of financial performance as cost of sales.

iii) Growing Costs where the Group is not the Beneficial Owner of Vine Stock

The Group is party to long-term vineyard operating lease contracts where the Group is able to access, harvest and grow agricultural produce, however does not maintain the beneficial ownership in the underlying biological asset. Vineyard costs that are incurred subsequent to harvest up to balance sheet date do not qualify as agricultural produce or biological assets under NZ IAS 41: Agriculture and are accounted under NZ IAS 2: Inventories, as inventories. Where growing costs are incurred and the Group is not the beneficial owner of the biological assets, growing costs are reported at the lower of cost and net realisable value in accordance with NZ IAS 2: Inventories.

At the point of harvest, the harvest of grapes qualify as agricultural produce under NZ IAS 41: Agriculture and are recorded at fair value at that date. The fair value of grapes is determined by reference to market prices for grapes in the local area, at the time of harvest. Any difference between cost and fair value is included within the statement of financial performance as cost of sales. At the point of harvest, management labour and vineyard lease costs have been separately identified from the pool of growing costs and do not form part of the difference between cost and fair value. These costs are expensed to the statement of financial performance as cost of sales.

Land and Land Improvements

Land and Land Improvement assets are measured at cost and are not subject to depreciation.

Property, Plant and Equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such costs include the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. The cost of purchased property, plant and equipment is the value of the consideration given to acquire the assets and the value of other directly attributable costs, which have been incurred in bringing the assets to the location and condition necessary for their intended service. The cost of self-constructed assets includes the cost of all materials used in the construction, direct labour on the project, operating lease and financing costs that are directly attributable to the project and an appropriate proportion of variable and fixed overheads. Costs cease to be capitalised when the asset is ready for productive use. In respect of vineyard improvements and capitalised vineyard leases, capitalisation of costs continue until the vineyards are ready for productive use, which is when the vineyard has produced approximately 60% of expected yield at full production, ordinarily a period of three years after the planting of vines.

Depreciation

Depreciation of property, plant and equipment, other than land which has an indefinite economic life and hence not depreciated, is charged on a straight-line basis so as to write off the assets to their expected residual value over their estimated useful lives. The estimated useful lives are as follows:

Buildings	10 – 50 years
Plant and Equipment	3 – 10 years
Vineyard Improvements	15 – 30 years

Depreciation on vineyard improvements commences when the vineyard is considered to be in commercial production, which is when the vineyard has produced approximately 60% of the expected yield at full production, ordinarily a period of three years after the planting of vines. The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate at the end of each financial year.

Impairment

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment charge is recognised for the amount by which the asset's carrying amount exceeds its recoverable

Statement of Accounting Policies *continued*

Impairment (continued)

amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and value in use. For the purposes of assessing impairment, assets are valued at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Biological Assets (Grape Vines) and Produce (Grapes)

Grape vines are measured at their fair value less estimated point of sale costs. The fair value of vineyards, including land, grape vines and other vineyard infrastructure, is determined by an independent valuer, using the present value of expected net cash flows from the vineyards, discounted using a pre-tax market determined rate. The fair value of land and other vineyard infrastructure is deducted from the fair value of vineyards to determine the fair value of grape vines. Changes in fair value, less estimated point of sale costs of grape vines, are recognised in the statement of financial performance in the year in which they arise.

Grapes are measured at fair value, less estimated point of sale costs at the time of harvest. The fair value of grapes is determined by reference to market prices for grapes for that local area at the time of harvest. The fair value becomes the basis of cost when accounting for inventories.

Leased Assets

The determination of whether an arrangement is or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent upon the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, the present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised as an expense in the statement of financial performance. Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term. Operating lease costs that are directly attributable to bringing new vineyards to working condition for their intended use are capitalised up until the time the vineyards become commercially productive. The accumulated amount is then amortised over the remaining lease term. All other operating lease payments are recognised as an expense in the periods the amounts are payable.

Contributed Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction from the proceeds.

The Group's own equity instruments, which are reacquired for later use in employee share-based payment arrangements, are deducted from equity. No gain or loss is recognised in the statement of financial performance on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial Instruments

Financial instruments recognised in the statement of financial position include trade receivables, intercompany receivables, trade payables, intercompany payables, borrowings and derivative financial instruments. Each of these financial instruments is classed into one of the following categories:

i) Trade and Other Payables

Trade and other payables are initially recognised at fair value and then carried at amortised cost, and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

Statement of Accounting Policies *continued*

ii) Trade and Other Receivables

Trade and other receivables are initially recognised at fair value and then carried at amortised cost, and due to their short-term nature, they are not discounted. The amounts are unsecured and are usually received within 30 to 90 days from initial recognition.

iii) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after balance sheet date.

iv) Derivative Financial Instruments

The Group uses derivative financial instruments such as forward currency contracts and options to economically hedge its risks associated with foreign currency fluctuations and interest rate swaps to manage interest rate risk. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured to fair value at balance date. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of financial performance. The fair value of forward exchange contracts is determined by reference to current forward exchange rates for contracts with similar maturity profiles. The fair value of interest rate swaps is determined by reference to market values for similar instruments.

v) Intercompany Payables and Receivables

Intercompany payables and receivables are initially recognised at fair value and then carried at amortised cost, and due to their short-term nature, they are not discounted.

Borrowing Costs

Borrowing costs are expensed as incurred except when they are directly attributable to the acquisition or construction of a qualifying asset. When this is the case, they are capitalised as part of that asset. Once the asset is put into productive use, capitalisation of the borrowing costs ceases.

Provisions and Employee Leave Benefits

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the present value of the obligation at the balance sheet date. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be settled within 12 months of the reporting date are recognised in respect of the employee's services up to the reporting date. They are measured as 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 is measured at the rates paid or payable.

Post-employment Benefits

The Group makes regular contributions to various defined contribution pension plans. Included within the statement of financial performance are amounts paid and payable by the Group into these pension plans, net of any related tax rebates. The Group does not make available or make contributions to any defined benefit superannuation plans.

Share-based Payment Transactions

The Group provides benefits to selected employees in the form of share-based payments, whereby the Group makes available interest-free loan facilities for those employees to subscribe for shares at a fixed price for a specified time period. The Group's

Statement of Accounting Policies *continued*

Share-based Payment Transactions (continued)

recourse over the loan is limited to the lesser of the market value of the shares and the outstanding loan balance. Provisions of the loan agreement allow any potential upside of the shares to accrue to the employee while the downside risk is limited as the Directors have the ability to cancel or alter the underlying loan agreement. In substance these arrangements represent equity-settled share-based payments and are accounted for as noted below.

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined through the use of an option pricing model on grant date. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than those conditions which are linked to market conditions.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which performance and/or service conditions are fulfilled (the vesting period), ending on the date on which the relevant employees become fully entitled to the award (the vesting date).

At each subsequent reporting date until vesting, the cumulative charge to the statement of financial performance is the product of the fair value of the award at grant date and the best estimate of the number of awards that will vest, taking into account such factors as the likelihood of employee turnover during the vesting period and the likelihood of non-market performance conditions being met and the expired portion of the option.

The charge to the statement of financial performance for the period is the cumulative amount as noted above, less amounts already charged in previous periods. There is a corresponding credit to equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than what were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

If the terms of the equity-settled award are modified, as a minimum, an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and the new award are treated as if they were a modification to the original award, as described in the previous paragraph.

The dilutive effects, if any, of any outstanding options are reflected as additional share dilution in the computation of diluted earnings per share.

Earnings per Share

Basic earnings per share is calculated as Group profit after income tax attributable to ordinary shareholders of the Parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares on issue.

Diluted earnings per share is calculated as Group profit after income tax attributable to ordinary shareholders of the Parent adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses;
- other non-discretionary changes in revenues and expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

Changes in Accounting Policies

There have been no changes in accounting policy during the current year.

Notes to the Financial Statements

1. Financial Risk Management Objectives and Policies

The Group's principal financial liabilities comprise bank loans and overdrafts, trade payables and accruals. The main purpose of these financial liabilities is to raise funding for the Group's ongoing operations. The Group also has financial assets such as trade and other receivables and cash which arise directly from its operations.

The Group are counterparties to derivative financial instruments principally being foreign currency forward exchange contracts and options and interest rate swaps. The purpose of entering into foreign currency forward exchange contracts and options is to manage currency risk primarily arising from foreign denominated trade receivables. Interest rate swaps are entered into with the aim of mitigating interest rate risk to movements on floating rate debt facilities.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. Each of the main operational risks are reviewed by the Treasury Management Committee (TMC) and their recommendations are provided to the Board of Directors. The composition of the TMC includes the Managing Director (or Alternate), Chief Financial Officer, Corporate Financial Planning Analyst and Independent Treasury Advisors. The Board reviews and agrees policies for managing each of these risks as summarised below. Board approval is required for any movement outside policy.

Foreign Currency Risk

The net assets employed through subsidiary companies based overseas exposes the Group to foreign currency risk as a result of changes in the GBP/NZD, AUD/NZD, USD/NZD, EUR/NZD, CAD/NZD and SGD/NZD exchange rates. The Group also has foreign currency risk resulting from sales of product in a currency which is other than that of the New Zealand Dollar. Profits from each export region are repatriated and reported in New Zealand Dollars and the Group is exposed to changes in foreign exchange rates.

To minimise foreign currency risk the Group enters into forward exchange contracts and options for foreign denominated sales at levels which are considered to be highly probable. The Group attempts to maintain foreign currency cover of between 75% to 100% of highly probable sales in one to three months, 50% to 75% for highly probable sales in four to six months, 25% to 50% for highly probable sales in seven to 12 months, 0% to 50% for sales between 13 to 18 months and 0% to 25% for sales thereafter. The Group has the option of increasing foreign exchange cover to 100% for any time period upon approval by the Board of Directors.

When the Group is exposed to foreign currency risk as a result of being contractually committed to purchase capital items from an overseas supplier and such expenditure is expected to exceed $200,000, the Group's policy is to ensure the foreign currency exposure is covered in full. Any capital expenditure between $100,000 and $200,000 is to be covered at the discretion of the TMC, based on such factors as timing for payment and expected volatility of currency markets. It is the Group's policy that in no instances is trading for speculative purposes permitted.

Notes to the Financial Statements *continued*

1. Financial Risk Management Objectives and Policies (continued)

At 30 June 2013, had the New Zealand Dollar moved as illustrated in the following table with all other variables held constant, post-tax profit and equity would have been affected as follows:

	Impact on 2013 Reported		Impact on 2012 Reported	
	Post-Tax Profits	Equity	Post-Tax Profits	Equity
Group	$000	$000	$000	$000
NZD/USD +5%	225	225	302	302
NZD/USD -5%	(526)	(526)	(280)	(280)
NZD/GBP +5%	689	689	875	875
NZD/GBP -5%	(1,162)	(1,162)	(886)	(886)
NZD/AUD +5%	1,217	1,217	2,010	2,010
NZD/AUD -5%	(1,300)	(1,300)	(2,506)	(2,506)
NZD/CAD +5%	59	59	(22)	(22)
NZD/CAD -5%	(122)	(122)	30	30
NZD/EUR +5%	147	147	81	81
NZD/EUR -5%	(157)	(157)	(81)	(81)
NZD/SGD +5%	10	10	5	5
NZD/SGD -5%	(11)	(11)	(5)	(5)
NZD/HKD +5%	2	2	(1)	(1)
NZD/HKD -5%	(2)	(2)	1	1
Parent				
NZD/USD +5%	(11)	(11)	(12)	(12)
NZD/USD -5%	13	13	13	13
NZD/GBP +5%	(6)	(6)	(6)	(6)
NZD/GBP -5%	7	7	7	7
NZD/AUD +5%	(1,389)	(1,389)	(7)	(7)
NZD/AUD -5%	1,535	1,535	8	8
NZD/SGD +5%	(1)	(1)	-	-
NZD/SGD -5%	1	1	1	1

The above table calculates the impact of a change in foreign exchange rates on closing equity and post-tax profits of the Group, as a result of the Group being counterparty to transactions which are foreign currency denominated. Foreign currency denominated balances include trade and other receivables, trade payables and accruals, loans and borrowings, cash on hand and unsettled foreign exchange contracts that exist at balance sheet date. The net foreign currency exposure is determined in aggregate and the impact on post-tax profits determined as a result of a +/- 5% movement in foreign exchange rates.

The impact upon the Group's equity balance is derived through determining the impact on post-tax profits as noted above.

Notes to the Financial Statements *continued*

1. Financial Risk Management Objectives and Policies (continued)

Interest Rate Risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term and short-term debt obligations with interest payable based on floating rates of interest. Interest rate risk is monitored by the TMC on an ongoing basis. The recommendation by the TMC to enter into fixed or variable rate debt facilities and decisions to retire existing debt instruments is made after consideration of the economic indicators impacting upon the overnight cash rate, which influences the rates of interest charged by financial institutions. All funding facilities recommended by the TMC must be approved by the Board of Directors.

The Group manages interest rate risk through maintaining a mix of debt instruments having variable and fixed interest rates. The Group's policy is to maintain a level of fixed debt facilities between 40% to 100% of core debt for a period of one year, between 30% to 80% of projected core debt for periods of one to three years, and 15% to 60% of projected core debt facilities for three to five years. Board approval is required for any fixed rate cover that extends beyond five years.

The Group also manages interest rate risk through being counterparty to a series of interest rate swaps, in which the Group agrees to or has the option to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed upon notional principal amount. These are discussed in Note 10: Derivative Financial Instruments.

The table below demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, on the Group's post-tax profits and equity:

	Impact on 2013 Reported		Impact on 2012 Reported	
	Post-Tax Profits	Equity	Post-Tax Profits	Equity
Group	$000	$000	$000	$000
2.00% Increase - 200 basis points (2012: 2.00% Increase - 200 basis points)	7,782	7,782	2,406	2,406
0.25% Decrease - 25 basis points (2012: 0.25% Decrease - 25 basis points)	(910)	(910)	(301)	(301)
Parent				
2.00% Increase - 200 basis points (2012: 2.00% Increase - 200 basis points)	(522)	(522)	–	–
0.25% Decrease - 25 basis points (2012: 0.25% Decrease - 25 basis points)	65	65	–	–

The key assumptions which impact upon the values presented in the above table are the following:

- Cash and cash equivalents include deposits on call which are at floating interest rates. The estimated impact upon interest revenues from these sources is based upon amounts held on deposit remaining at consistent levels as reported at the balance sheet date. For foreign denominated deposits the impact on foreign exchange is based on the conversion rate existing at balance sheet date.
- Account balances that are trade receivables or trade payables are generally on 30 to 90 day terms and are non-interest bearing and are not subject to interest rate risk.
- The impact upon the fair value of the interest rate swaps is based upon the differential in rates between the Group paying a fixed rate of interest and receiving the floating New Zealand Bank Bill Rate (BKBM) multiplied by the nominal amount under the swap agreement up until maturity.
- Included in the above table is the change in fair value of interest rate swaps which results from changes in the floating interest rate.

Notes to the Financial Statements *continued*

1. Financial Risk Management Objectives and Policies (continued)

Credit Risk

The Group trades with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis. The maximum exposure to the carrying amount of receivable balances is disclosed in Note 12. The Group does not have any significant concentrations of credit risk.

Liquidity Risk

Liquidity risk is the risk that an unforeseen event or miscalculation in the required liquidity level may lead to the Group being unable to meet its day to day funding obligations. To minimise liquidity risk the Group's policy is to maintain committed funding facilities at a minimum of 105% of the projected peak debt level over the next 12 months (excluding the cash requirements for any business combinations).

The below table presents all contractual payments which the Group is legally obliged to make and includes all future interest payments on interest-bearing facilities. The interest cost has been estimated by maintaining the current principal balance and interest rates that exist at balance sheet date. The table also includes the New Zealand Dollar equivalent for the foreign currency amounts, which are to be delivered to fulfil obligations under foreign currency contracts. The table below excludes amounts required to fund operating lease commitments as these are disclosed in Note 18.

Facility Type 30 June 2013	Facility Limit $000	Drawn At Balance Sheet Date $000	< 1 year $000	1 to 2 years $000	> 2 years $000
Working Capital and Seasonal facility	40,000	40,000	1,381	1,381	42,879
Term facility	130,000	97,644	3,542	3,542	101,487
Derivative financial instruments	N/A	N/A	65,356	2,498	175
Trade payables and accruals	N/A	33,096	33,096	–	–
Financial guarantee contracts	N/A	N/A	1,124	–	–
As at 30 June 2013	170,000	170,740	104,499	7,421	144,541

Included in the table above are financial guarantees which are valued at their highest possible amount that can be called at balance date. For each individual guarantee if the obligation at balance date is lower than the maximum amount callable under the guarantee then the lower value has been included. The guarantees can be called and in favour of the beneficiary if certain acts of non-performance occur. The Directors consider the likelihood of each financial guarantee being called remote.

Notes to the Financial Statements *continued*

1. Financial Risk Management Objectives and Policies (continued)

Liquidity Risk (continued)

Facility Type 30 June 2012	Facility Limit $000	Drawn At Balance Sheet Date $000	< 1 year $000	1 to 2 years $000	> 2 years $000
Working Capital and Seasonal facility	40,000	40,000	1,400	40,119	–
Term facility	130,000	55,867	2,053	2,053	58,094
Derivative financial instruments	N/A	N/A	64,906	10,506	2,668
Trade payables and accruals	N/A	28,407	28,407	–	–
Financial guarantee contracts	N/A	N/A	576	–	–
As at 30 June 2012	170,000	124,274	97,342	52,678	60,762

All of the above facilities have a floating rate of interest which is tied to the New Zealand BKBM plus margin. At balance sheet date the Group has interest rate swap or option contracts that cover $53,000,000 (2012: $70,000,000) of the principal balance drawn at balance sheet date. Refer to Note 10.

The Group maintains credit facilities at a level sufficient to fund the Group's working capital during the period between cash expenditure and cash inflow. The Group has a Seasonal facility available of $23,000,000, which can be drawn down between 1 July and 31 December each year to assist in the working capital requirements around grape harvest.

Summary of Financial Instruments Held

At the balance sheet date the Group and Parent report the following categories of financial instruments:

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Financial Assets				
Loans and receivables at amortised cost	**38,386**	39,718	**70,590**	41,594
Financial assets at fair value through profit and loss	**1,279**	1,201	**–**	–
	39,665	40,919	**70,590**	41,594
Financial Liabilities				
Financial liabilities at amortised cost	**166,874**	120,143	**206**	331
Financial liabilities at fair value through profit or loss	**2,318**	5,786	**–**	–
	169,192	125,929	**206**	331

The Group and Parent do not have any financial assets or liabilities that are classified as held for trading, available for sale or classified as held to maturity.

Notes to the Financial Statements *continued*

1. Financial Risk Management Objectives and Policies (continued)

Fair Value of Financial Instruments

The fair value of financial instruments is presented in the previous table. For financial instruments measured at fair value further disclosure is required that allocates the fair values into a measurement hierarchy. The following principles have been applied in classifying these instruments:

Level 1 - the fair value is calculated using quoted prices in active markets;

Level 2 - the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices);

Level 3 - the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below:

	Level 1	Level 2	Level 3	Total
30 June 2013	$000	$000	$000	$000
Financial Assets				
Foreign currency forward exchange option contracts	–	1,111	–	1,111
Foreign currency forward exchange contracts	–	168	–	168
	–	1,279	–	1,279
Financial Liabilities				
Interest rate swap contracts	–	2,318	–	2,318
	–	2,318	–	2,318

The fair value of financial instruments held at balance date that are not traded on an active market include foreign currency forward exchange contracts and options and net settled interest rate swap contracts. The fair values are derived through valuation techniques that maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs come from observable market data the instrument is included in Level 2 of the hierarchy.

	Level 1	Level 2	Level 3	Total
30 June 2012	$000	$000	$000	$000
Financial Assets				
Foreign currency forward exchange option contracts	–	596	–	596
Foreign currency forward exchange contracts	–	605	–	605
	–	1,201	–	1,201
Financial Liabilities				
Interest rate swap contracts	–	5,786	–	5,786
	–	5,786	–	5,786

Notes to the Financial Statements *continued*

1. Financial Risk Management Objectives and Policies (continued)

Financial Risk Associated to Biological Assets

The Group is exposed to financial risks in respect of agricultural activities. The agricultural activities of the Group consist of the management of vineyards to produce grapes for use in the production of wine. The primary risk borne by the Group is caused by the length of time between when cash is expended on the purchase or planting and maintenance of grape vines and on harvesting grapes and the ultimate realisation of proceeds from the sale of finished product (wine). The Group takes reasonable measures to ensure that the current year's harvest is not affected by disease, drought, frost, or other factors that may have a negative effect upon yield and quality. These measures include consultation with experts in viticulture, frost protection measures, and ensuring that each vineyard is managed according to a specifically developed Vineyard Management Calendar.

Capital Management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders of the business. The ultimate aim is to maintain a capital structure which provides flexibility to enable future growth of the Group whilst ensuring the lowest cost of capital is available to the Group.

Management review the capital structure of the Group as a result of changes in market conditions which impact upon interest and foreign exchange rates and may adjust the capital structure to take advantage of these changes. Management have no current plans to issue further shares on the market but is intent on growing the business which will require future funding.

The Group is subject to a series of bank covenants over its Senior Debt facilities. These are discussed in Note 11.

2. Significant Accounting Judgements, Estimates and Assumptions

In applying the Group's accounting policies, management continually evaluates the judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact upon the Group. All judgements, estimates and assumptions made are believed to be reasonable based upon the most current set of circumstances available to management. The actual results may differ from the judgements, estimates and assumptions used. The significant judgements, estimates and assumptions made by management in the preparation of these financial statements are the following:

Fair Value of Agricultural Assets

The fair value of grape vines is determined by an independent valuer. Two methodologies were used in determining the carrying value of these assets and the methodology applied is dependent upon the size and availability of an open market of similar assets. The significant assumptions used are detailed in Note 15. The two methodologies are described below:

i) Where an Active Market Exists

Where an active market is said to exist the underlying agricultural assets are valued based upon the amount for which the asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction, less any associated disposal costs as a result of sale. The Directors consider that an active market exists for vineyards that have an estimated market value under $9 million (2012: $9 million) and under 50 productive hectares. This threshold is reviewed annually based on market information.

ii) Where no Active Market Exists

There is not a sufficiently active market for the size and scale of some of the Group's vineyards and the fair value of biological assets has been measured through the use of a discounted net cash flow model. Market value of vineyards of smaller scale had been considered in the determination of fair value, however it was found that measurement inconsistency would result as the underlying assets are fundamentally different in nature. Refer to Note 15 on individually significant assumptions used in the discounted net cash flow model.

Fair Value of Grapes at the Point of Harvest

The fair value of grapes at the point of harvest is determined by reference to market prices for each variety of grape grown in the local area at the time of harvest. The Directors' assessment of the fair value at the point of harvest is determined after reviewing the market price paid to independent grape growers.

Notes to the Financial Statements *continued*

2. Significant Accounting Judgements, Estimates and Assumptions (continued)

Determination of Lease Accounting

The Group has entered into long-term vineyard leases which allow the Group to control the growing and harvesting of the grapes used in the production of finished product. After taking into consideration the terms and conditions within the lease, it is believed that the lessor retains the significant risks and rewards of ownership and the leases are accordingly classified as operating leases.

Impairment of Property, Plant and Equipment other than Goodwill

The Group assesses impairment of all assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. Given the current uncertain economic environment and industry challenges, management considered that the indicators of impairment were significant enough and as such these assets have been tested for impairment in this financial period.

For the purpose of impairment testing the Delegat's Wine Estate Limited (Delegat's) operating segment is treated as a single cash-generating unit (CGU). The recoverable amount of the Delegat's CGU has been calculated and this was determined to be greater than the total carrying value of the Delegat's CGU's assets. Therefore no impairment is required to be recognised.

The carrying value of the single Delegat's CGU was determined using the value in use method by taking the present value of expected net cash flows from the vineyards and discounting them to present value using a pre-tax market determined discount rate of 9.3% (2012: 9.3%).

Transactions Involving Share-based Payments

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined through the Black-Scholes pricing model. The use of this model requires certain assumptions to be made. The key assumptions in the determination of the fair value of the options are disclosed in Note 8.

Allowance for Impairment Losses on Trade Receivables

Where trade receivable balances are outstanding beyond their normal trading terms, the likelihood of the recovery of these trade receivables is assessed by management. The Group reviews the standing of each trade receivable balance to determine if the recording of an impairment loss is required.

Estimation of Useful Lives of Assets

The estimation of the useful lives of assets has been based on historical experience as well as lease terms. The condition of the assets are assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary. The significant depreciation terms and classes of equipment are noted in the Statement of Accounting Policies. The depreciation charges are included in Note 5.

Derivative Financial Instruments

The Group has derivative financial instruments which are classified as level 2, as they have inputs other than observable quoted prices. In calculating the mark-to-market values, management has considered the forward rates.

3. Segmental Reporting

The Group reviews its operational performance based upon the management and the geographic areas in which their customers are based. Financial information which is available to management in order to assess segment performance and investment opportunities is presented on the same basis. In accordance with NZ IFRS 8: Operating Segments this forms the basis of presentation for Segment Reporting and is the format adopted below:

- Delegat's is party to vineyard leases and has interests in freehold land and winery infrastructure which allows the company to grow, harvest and make finished wine to be marketed, distributed and sold into the Super-Premium wine markets. Delegat's sells and markets its product through a combination of subsidiary companies based overseas or to customers and distributors directly in the New Zealand, Canadian, Asian and Pacific Island markets. Oyster Bay Wines Australia Pty Limited, Delegat's Wine Estate (UK) Limited and Oyster Bay Wines USA, Inc. act as distributors and assist in the marketing of product in their respective geographic regions. Wines are sold all year round to all regions and the Company considers there is no significant variations in revenues throughout the year.

Notes to the Financial Statements *continued*

3. Segmental Reporting (continued)

The Group implements appropriate transfer pricing regimes within the operating segments on an arm's length basis in a manner similar to transactions with third parties.

Management monitor the operating results of its business units separately for the purpose of making resource allocations and performance assessments. Segment performance is evaluated based on operating profit or loss, which may be measured differently from operating profit or loss in the consolidated financial statements as segment reporting is based upon internal management reports. The main differences are a result of some deferred tax balances being recognised upon consolidation not being allocated to individual subsidiaries. Also intercompany stock margin eliminations are managed on a group basis and are not allocated to operating segments.

Year ended 30 June 2013	Delegat's Wine Estate Ltd $000	Oyster Bay Wines Australia Pty Ltd $000	Delegat's Wine Estate (UK) Ltd $000	Oyster Bay Wines USA, Inc. $000	Other Segments[10] $000	Eliminations and Adjustments[9] $000	Year Ended 30 June 2013 $000
Operating income							
External sales[6]	48,986	72,502	53,952	44,654	1,947	–	**222,041**
Internal sales	143,938	–	–	–	–	(143,938)	**–**
Total segment revenues[1]	192,924	72,502	53,952	44,654	1,947	(143,938)	**222,041**
Interest revenue	18	11	–	–	3,577	(3,558)	48
Fair value adjustments							
Biological assets increase	2,947	–	–	–	–	–	**2,947**
Operating expenses							
Interest expense[2]	10,612	–	–	–	36	(3,558)	**7,090**
Depreciation and amortisation[3]	11,924	145	15	43	65	–	**12,192**
Income tax expense[4]	14,379	484	449	698	1,157	(103)	**17,064**
Segment profit/(loss)	36,480	1,124	1,482	1,088	29,691	(28,649)	**41,216**
Assets							
Segment assets[5]	362,693	14,506	8,320	9,226	119,015	(92,913)	**420,847**
Capital expenditure[7]	46,631	266	17	17	20,915	–	**67,846**
Segment liabilities	242,919	6,956	4,053	5,789	33,187	(89,449)	**203,455**

[1] Intersegment revenues are eliminated on consolidation. Intercompany profit margins are also eliminated.

[2] Interest expense is net of any interest capitalised to long-term assets. During the year $272,000 was capitalised to long-term assets (2012: $158,000).

[3] Depreciation and amortisation expenses presented above are gross of $11,029,000 (2012: $10,314,000), which have been included within inventory.

[4] Segment income tax expense does not include the deferred tax impacts of temporary differences arising from intercompany stock margin eliminations or fair value adjustments resulting from the purchase of subsidiary companies as these are managed on a group level.

[5] Segment assets include the value of investments and loan balances for subsidiaries which reside in Delegat's however do not include the effects of stock margin eliminations for stock on hand in subsidiaries.

Notes to the Financial Statements *continued*

3. Segmental Reporting (continued)

Year ended 30 June 2012	Delegat's Wine Estate Ltd $000	Oyster Bay Wines Australia Pty Ltd $000	Delegat's Wine Estate (UK) Ltd $000	Oyster Bay Wines USA, Inc. $000	Other Segments $000	Eliminations and Adjustments[9] $000	Year Ended 30 June 2012 $000
Operating income							
External sales[8]	42,570	82,323	55,373	34,125	667	–	**215,058**
Internal sales	145,548	–	–	–	–	(145,548)	**–**
Total segment revenues[1]	188,118	82,323	55,373	34,125	667	(145,548)	**215,058**
Interest revenue	17	28	–	–	3,653	(3,528)	**170**
Fair value adjustments							
Biological assets increase	1,358	–	–	–	–	–	**1,358**
Operating expenses							
Interest expense[2]	11,334	–	–	–	–	(3,528)	**7,806**
Depreciation and amortisation[3]	11,212	132	24	42	52	–	**11,462**
Income tax expense[4]	7,615	550	487	522	1,130	(44)	**10,260**
Segment profit/(loss)	23,185	1,289	1,385	843	2,759	(4,011)	**25,450**
Assets							
Segment assets[5]	316,800	18,528	7,363	7,828	66,513	(76,445)	**340,587**
Capital expenditure[7]	11,420	233	25	13	97	–	**11,788**
Segment liabilities	205,145	11,551	4,595	5,584	1,863	(73,280)	**155,458**

[6] During the 2013 financial year Oyster Bay Wines Australia Pty Limited had a single customer which comprised 10% or more of Group sales amounting to $26,683,000.

[7] Capital expenditure consists of additions of property, plant and equipment inclusive of capitalised interest. Capital expenditure is included within each of the reported segment assets noted above.

[8] During the 2012 financial year Oyster Bay Wines Australia Pty Limited had a single customer which comprised 10% or more of Group sales amounting to $31,447,000.

[9] The elimination and adjustments of segment profit, assets and liabilities relate to intercompany transactions and balances which are eliminated on consolidation.

[10] Other segments' assets include non-current assets of Barossa Valley Estate Pty Limited of $20,894,000 which are located in Australia.

Notes to the Financial Statements *continued*

4. Other Revenue

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Wine equalisation tax rebate	601	668	–	–
Interest revenue	48	170	3,577	3,651
Rental income and other income	254	119	–	–
Dividend income	1	10	28,384	2
Bulk wine sale	–	4,171	–	–
Insurance recoveries	35	45	–	–
Fair value gain on derivative financial instruments	3,546	–	–	–
Unrealised foreign exchange gain	187	–	231	–
Management fee recharges	–	–	1,738	1,777
	4,672	5,183	33,930	5,430

5. Expenses

		GROUP		PARENT	
	Notes	2013 $000	2012 $000	2013 $000	2012 $000
(a) Selling, Marketing and Promotion Expenses					
Domestic selling and brand marketing expenses		8,272	6,841	–	–
International selling, brand and trade marketing expenses		60,723	59,028	–	–
		68,995	65,869	–	–
(b) Corporate Governance Expenses					
Directors' fees		325	285	300	260
Accounting and tax consultancy	22	122	105	25	33
Audit fees	22	188	188	137	136
Shareholder communications		128	146	126	146
Stock exchange and registry fees		66	71	66	71
		829	795	654	646
(c) Administration Expenses					
Administration expenses		9,446	10,034	1,085	1,131
Acquisition costs of new subsidiary		1,895	–	–	–
Unrealised foreign exchange loss		–	526	–	–
Fair value loss on derivative instruments		–	1,519	–	–
		11,341	12,079	1,085	1,131

Notes to the Financial Statements *continued*

5. Expenses (continued)

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
(d) Finance Costs				
Finance charges on banking facilities[1]	7,071	7,793	–	–
Other	19	13	–	–
	7,090	7,806	–	–

[1] Deducted from the finance charges on banking facilities are interest costs incurred and capitalised of $272,000 (2012: $158,000). Capitalisation of interest ceases upon the asset (in identifiable stages) being ready for productive use.

	GROUP 2013 $000	GROUP 2012 $000	PARENT 2013 $000	PARENT 2012 $000
(e) Depreciation and Amortisation				
Amortisation of capitalised leases	597	921	–	–
Vineyard development	1,982	1,622	–	–
Buildings	706	697	–	–
Plant and equipment	8,907	8,222	–	–
	12,192	11,462	–	–

The figures presented above represent the gross depreciation and amortisation charge for the year. Depreciation and amortisation is recorded in the business function to which the asset relates. Depreciation incurred on assets directly associated with winemaking and viticulture of $11,029,000 (2012: $10,314,000) is included within the cost of inventories and expensed as a cost of sales when product is sold.

Depreciation on vineyard development commences when the vineyard is considered to be in commercial production, which is generally when the vineyard has produced approximately 60% of the expected yield at full production.

	GROUP 2013 $000	GROUP 2012 $000	PARENT 2013 $000	PARENT 2012 $000
(f) Employee Benefits Expense				
Wages and salaries	29,329	28,270	800	800
Defined contribution pension plans	874	820	–	–
Share–based payments expense	35	76	–	–
Termination benefits paid	147	198	–	–
	30,385	29,364	800	800

The figures above represent the gross employee benefits expense for the year. Included within inventory is remuneration paid to employees directly associated with winemaking, bottling and packaging. During the year $5,431,000 (2012: $5,085,000) of employee benefits were included within inventory. These costs are included within inventory until the stock to which the expenditure relates is sold.

Notes to the Financial Statements *continued*

5. Expenses (continued)

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
(g) Lease Payments and Other Occupancy Expenses				
Vineyard related lease payments	**6,859**	7,955	**–**	–
Other lease payments	**10,470**	10,961	**71**	80
	17,329	18,916	**71**	80

The figures above represent the total lease payments and other occupancy expenses for the year. During the year lease costs of $130,000 (2012: $130,000) have been capitalised to property, plant and equipment in respect of vineyards that are in development and are not considered to be in commercial production, which is generally when the vineyard has produced approximately 60% of the expected yield at full production.

6. Share Capital

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Balance at beginning of year	**48,779**	48,779	**48,779**	48,779
Shares issued/(reissued)during the year	**633**	(106)	**633**	(106)
Shares held as treasury stock	**–**	106	**–**	106
Balance at the end of the year	**49,412**	48,779	**49,412**	48,779

a) Movement in the Number of Ordinary Shares on Issue	Shares Held		Shares Held	
	000's	000's	000's	000's
Balance at beginning of year	**101,130**	101,130	**101,130**	101,130
Balance at the end of the year	**101,130**	101,130	**101,130**	101,130

There are 101,130,000 (2012: 101,130,000) fully paid ordinary shares on issue at balance sheet date. All ordinary shares have equal voting rights and share equally in dividends and surplus on winding up. Shares issued in New Zealand do not have a par value.

In September 2012 300,000 shares previously issued under the Delegat's Group Limited Employee Share Ownership Plan vested and the employees' outstanding loan balances were repaid.

Notes to the Financial Statements *continued*

6. Share Capital (continued)

	GROUP AND PARENT			
	2013		2012	
	Shares Held 000's	Nominal Value $000	Shares Held 000's	Nominal Value $000
b) Movements in Treasury Shares				
Balance at the beginning of the year	–	–	50	106
(Reissued)/issued under Delegat's Group Limited Employee Share Ownership Plan	–	–	(50)	(106)
Balance at the end of the year	–	–	–	–

c) Nature and Purpose of Reserves

i) Share-based Payments Reserve

The employee equity reserve is used to record the value of share-based payments provided to employees as part of their remuneration. Refer to Note 8 for more information.

ii) Foreign Currency Translation Reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. During the year equity decreased by $442,000 upon the translation of foreign subsidiaries (2012: $3,000 increase).

iii) Treasury Share Reserve

The Group's own equity instruments, which are reacquired for later use in employee share-based payment arrangements, are deducted from equity.

7. Dividends Paid and Proposed

a) Recognised Amounts

Dividends that were declared and paid on ordinary shares during the year amounted to $9,109,000 (2012: $8,090,000) equating to 9.0 cents per share (2012: 8.0 cents per share).

b) Unrecognised Amounts

After the balance sheet date, dividends of 10.0 cents per share were approved by the Board of Directors. These amounts are not recognised in these financial statements as the declaration date was subsequent to year-end.

8. Share-based Payments

The Parent has an employee share ownership plan, known as the Delegat's Group Limited Employee Share Ownership Plan (Share Scheme). Share options are granted to selected senior executives and the Share Scheme is designed to align participant's interests with those of shareholders by increasing the value of the Parent's Shares. The shares issued to the employees carry the same voting rights as other issued ordinary shares.

Notes to the Financial Statements *continued*

8. Share-based Payments (continued)

The options outstanding at 30 June 2013 under this arrangement are as follows:

- 150,000 options were issued in March 2010 with an exercise price of $2.00 each, exercisable upon meeting the conditions below in March 2014.
- 50,000 options were issued in May 2012 with an exercise price of $2.07 each, exercisable upon meeting the conditions below in May 2016.

Under the Share Scheme, Delegat's, a wholly owned subsidiary of the Parent, provided a loan facility to the subscribers for an amount equal to the issue price. The employee acquired both legal and beneficial ownership in the shares from the date of issue. The shares are subject to restrictions for a period of 48 months after the date of issue, which restricts the employee from selling, offering for sale, agreeing to sell, transferring, granting any interest in the shares, or otherwise encumbering the shares without the prior approval of the Board of Directors of the Parent.

Dividends paid on these shares are for the benefit of employees, however the employees have agreed that the dividends are paid directly to Delegat's to reduce the employee's loan balance with Delegat's.

In the event an employee leaves the full-time employment of the Group (or one of its subsidiary companies) before the fourth anniversary date of the allotment of the Scheme Shares, the Parent will acquire the shares from the employee at either the original issue price, or an appropriate price determined by the Parent ensuring the employee's obligation in relation to the debt is satisfied. Any dividends which have been paid in the period and have been used to reduce the loan balance, and any payments made by the employee to reduce the loan balance, will be repaid to the employee. An employee can settle the loan early in full, however, they will not be able to trade the shares until the end of the restriction period. If the employee leaves prior to this date and the loan has been paid in full, the Parent will be required to repay the employee the payments received to date.

As the conditions of the Share Scheme give the employee the right, but not necessarily the obligation, to subscribe to shares in the Parent the arrangement is considered an in-substance share option plan, and are accounted for under NZ IFRS 2: Share-based Payments. During the year ending 30 June 2013 an expense of $35,000 (2012: $76,000) has been recorded.

The following table illustrates the number and weighted average exercise price and movements in options issued under the Share Scheme:

	PARENT	
	2013	2012
	Number of Shares (000's)	
Outstanding at the beginning of the year	500	450
Granted during the year	–	50
Vested during the year	(300)	–
Outstanding at the end of the year	200	500
Weighted average of remaining contractual life	1.21 years	1.03 years
Weighted average of option fair value at grant date	$0.41 per share	$0.64 per share

Notes to the Financial Statements *continued*

8. Share-based Payments (continued)

The fair value of the options at grant date was determined using the Black-Scholes option pricing model, taking into account the terms and conditions under which the options were granted. The following table lists the inputs used at the time the options were granted:

	Black-Scholes Option Pricing Model	
	2013	2012
Exercise price	N/A	$2.07
Dividend yield	N/A	4.52%
Expected volatility	N/A	35%
Risk free interest rate	N/A	2.97%
Expected life of the options	N/A	Four years

9. Trade Payables and Accruals

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Trade payables	12,258	10,418	2	51
Employee entitlements and leave benefits	3,672	3,914	–	–
Goods and services tax	649	699	–	–
Accrued expenses	17,166	14,075	204	280
	33,745	29,106	206	331

Trade payables are non-interest bearing and are generally settled between 30 to 60 days. As a result of their short-term nature, trade payables and accruals are not discounted. The carrying amount disclosed above is a reasonable approximation of fair value.

10. Derivative Financial Instruments

Derivative financial instruments are used by the Group in the normal course of business in order to reduce the risk of fluctuations in interest and foreign exchange rates. All movements in the fair value of derivative financial instruments are recognised in the statement of financial performance in the period they occur.

The Group has the following derivative financial instruments outstanding at the balance sheet date.

Notes to the Financial Statements *continued*

10. Derivative Financial Instruments (continued)

a) Foreign Currency Forward Exchange Contracts and Options

i) Forward Exchange Contracts	AVERAGE CONTRACTED RATE		GROUP	
Selling Currency/Buying NZD	2013	2012	2013 $000	2012 $000
Sell AUD, maturity 0–9 months	0.8043	0.7876	16,198	21,968
Sell USD, maturity 0–14 months	0.7966	0.7614	3,958	2,299
Sell GBP, maturity 0–9 months	0.5218	0.4817	7,670	11,110
Sell CAD, maturity 0–11 months	0.8280	0.7836	3,443	2,457
Sell SGD, maturity 0–1 months	1.0222	0.9652	196	104
Sell EUR, maturity 0–8 months	0.6228	0.5669	2,330	1,021
Sell HKD, maturity 0–4 months	6.2627	5.9031	216	85
Buying Currency/Selling NZD				
Buy HKD	–	6.1696	–	16
Buy EUR, maturity 0–3 months	0.6000	–	197	–
Buy USD, maturity 0–1 months	0.8000	–	256	–

The fair value of forward exchange contracts is determined by comparing the market rates for contracts with the same nominal amount, exercise price and length of time to maturity.

ii) Forward Currency Options	AVERAGE CONTRACTED RATE		GROUP	
Selling Currency/Buying NZD	2013	2012	2013 $000	2012 $000
Sell USD, maturity 0–17 months	0.8174	0.7717	3,306	3,895
Sell GBP, maturity 0–10 months	0.5220	0.5000	12,940	9,007
Sell AUD, maturity 0–6 months	0.7821	0.7825	15,667	20,457
Sell EUR, maturity 0–7 months	0.6300	0.5900	159	508
Sell CAD, maturity 0–5 months	0.8312	0.7850	1,083	637

NZ IAS 39: Financial Instruments: Recognition and Measurement requires that derivative financial instruments are classified as held for trading for measurement purposes unless they are accounted for as hedges. Under NZ IAS 1: Presentation of Financial Statements, assets and liabilities under the held for trading classification would generally be classified as current in the statement of financial position. However if the intent is not to actually trade the derivative financial instruments with maturities greater than 1 year but to hold them until maturity, then the derivative financial instruments are more appropriately classified as non-current. The amounts that are classified as non-current reflect the amounts that will not be settled in the next 12 months.

Notes to the Financial Statements *continued*

10. Derivative Financial Instruments (continued)

The classification of forward exchange contracts and forward currency options between current and non-current is based on whether the contracts will settle in the next 12 months. The fair value of open contracts existing at balance sheet date are classified as follows:

	2013		2012	
	Assets $000	Liabilities $000	Assets $000	Liabilities $000
Current:				
Forward Exchange Contracts	168	–	605	–
Foreign Currency Options	1,111	–	545	–
	1,279	–	1,150	–
Non–Current:				
Foreign Currency Options	–	–	51	–
	–	–	51	–

b) Interest Rate Swaps

In order to protect against risks relating to increases in interest rates, the Group has entered into interest rate swap contracts under which the Group receives interest at variable rates and has agreed to pay interest at fixed rates for varying terms of principal and time durations.

At balance sheet date interest rate contracts are in place that cover a total of $53,000,000 (2012: $70,000,000) of current Group indebtedness through three separate cap rate agreements, which range in maturity from one to four years. The interest rate swap is capped at 5.26% for $3,000,000, 5.84% for $25,000,000 and 5.96% for $25,000,000 (2012: 5.26% for $5,000,000, 5.74% for $15,000,000, 5.84% for $25,000,000 and 5.96% for $25,000,000) plus bank margin.

At balance sheet date the Group has a further 8 separate cap rate agreements, which apply from various future dates to cover future Group indebtedness. These range in maturity from six to seven years. The interest rate is capped at 3.31% for $7,500,000 from September 2013, 3.29% for $7,500,000 from September 2013, 3.48% for $7,500,000 from September 2013, 3.99% for $10,000,000 from December 2013, 4.18% for $10,000,000 from December 2014, 3.95% for $7,500,000 from December 2014, 3.70% for $7,500,000 from December 2015, and 3.99% for $25,000,000 from December 2015, plus bank margin.

The total fair value of these contracts at balance sheet date is a liability of $2,318,000 (2012: $5,786,000 liability).

The Parent and Group have elected not to apply hedge accounting and accordingly the instruments have been classified as fair value through profit and loss.

Notes to the Financial Statements *continued*

10. Derivative Financial Instruments (continued)

The classification between current and non-current is based on whether the contracts or portion of contracts will be settled within the next 12 months. The total fair value of these contracts at balance sheet date are classified as follows:

	2013		2012	
	Assets $000	Liabilities $000	Assets $000	Liabilities $000
Current:				
Interest Rate Swaps	–	1,133	–	1,668
	–	1,133	–	1,668
Non–Current:				
Interest Rate Swaps	–	1,185	–	4,118
	–	1,185	–	4,118

11. Interest-bearing Loans and Borrowings

a) Debt Facilities Existing at Balance Sheet Date

At the balance sheet date the following debt facilities have been drawn upon by the Group.

				GROUP		PARENT	
	Maturity	Effective Interest Rate 2013	Effective Interest Rate 2012	2013 $000	2012 $000	2013 $000	2012 $000
Non–Current Debt Obligations							
Term facility	31 Jul 2015	4.55%	6.19%	71,418	55,671	–	–
Term facility (AUD)	31 Jul 2015	4.55%	–	26,094	–	–	–
Working Capital and Seasonal facility	31 Jul 2016	5.44%	5.47%	39,938	39,979	–	–
				137,450	95,650	–	–

The carrying amount of the Group's non-current borrowings are the fair values at balance sheet date. Fees paid on the establishment of the loan facilities are included in their carrying value.

b) Terms and Conditions of Debt Facilities

i) Senior Debt Facilities

The Working Capital and Seasonal facility, and the Term facility collectively make up the Senior Debt Facilities of Delegat's. The maximum limit of the Working Capital and Seasonal facility is $63,000,000 (2012: $63,000,000) and the Term facility is $130,000,000 (2012: $130,000,000). At balance sheet date $32,356,000 (2012: $74,133,000) is available for further drawdown on these facilities. As part of the Working Capital and Seasonal facility the Group has a Seasonal facility available of $23,000,000, which can be drawn between 1 July and 31 December each year to assist in the working capital requirements surrounding grape harvest.

The Term facility (AUD) is part of the Term facility and is denominated in Australian dollars (A$). The amount drawn down in foreign currency at the balance sheet date was A$22,015,000.

Notes to the Financial Statements *continued*

11. Interest-bearing Loans and Borrowings (continued)

The Senior Debt Facilities are from the Group's bankers Westpac and are on a negative pledge basis, the Group agrees that it will not create or permit security over any of its assets, to any other party, without first obtaining Westpac's written consent.

Interest on these facilities is based on the BKBM plus margin. The facility agreement requires that certain banking covenants be met and requires the Group to maintain or better specified EBITDA and fixed charges coverage ratios, and maintain or better a minimum adjusted equity balance. The Group must also maintain or better a specified total tangible asset backing. At year-end, and at all points during the year, the covenants of the Senior Debt Facilities have been met.

ii) Other Facilities

Delegat's also has available an overdraft limit of $100,000 (2012: $100,000). Interest charged on this facility is the prime lending rate plus 1.0% margin. At 30 June 2013 the prime lending rate is 8.45% (2012: 8.45%). No amount is drawn against this facility at balance sheet date.

12. Trade and Other Receivables

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Trade receivables	**32,501**	32,800	**–**	–
Prepayments and sundry receivables	**3,033**	3,038	**28**	78
Non–trade receivables	**282**	155	**–**	–
Goods and services tax	**1,277**	827	**1**	4
	37,093	36,820	**29**	82

As at 30 June 2013 the ageing of trade receivables, net of provisions (as detailed below), is as follows:

	Total $000	Current $000	< 30 days $000	31 to 60 days $000 PDNI	61 to 90 days $000 PDNI	> 90 days $000 PDNI
30 June 2013	**32,501**	30,133	2,368	–	–	–
30 June 2012	**32,800**	30,654	2,136	–	10	–

All amounts recognised as trade receivables are unsecured and the maximum credit risk is equivalent to the carrying values noted directly above. Trade receivables are non-interest bearing and generally settled on 30 to 90 day terms. Due to their short-term nature trade receivables are not discounted and the above values approximate their fair value. There are amounts which are past due (PDNI) however the Group does not consider these to be impaired as the ultimate collection is reasonably assured.

At the end of each month the Group assesses the recoverability of debtor balances and makes provisions for specific debtors where the ultimate collection of balances owed are considered to be unlikely. The following table presents the movements in the provision for doubtful debtors. At 30 June 2013, trade receivables at a nominal value of $1,532,000 (2012: $1,552,000) were impaired and fully provided for.

Notes to the Financial Statements *continued*

12. Trade and Other Receivables (continued)

Movements in the provision for impairment of receivables were as follows:

	2013			2012		
	Individually Impaired $000	Collectively Impaired $000	Total $000	Individually Impaired $000	Collectively Impaired $000	Total $000
Balance at the start of the year	**1,552**	**–**	**1,552**	2,073	–	2,073
Written off during the year	**(20)**	**–**	**(20)**	(521)	–	(521)
Recovered during the year	**–**	**–**	**–**	–	–	–
Charged during the year	**–**	**–**	**–**	–	–	–
Balance at the end of the year	**1,532**	**–**	**1,532**	1,552	–	1,552

13. Inventories

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Current vintage	**62,870**	40,295	**–**	–
Aged wine	**19,178**	18,508	**–**	–
Growing costs relating to next harvest	**3,046**	3,473	**–**	–
Winery ingredients, packaging materials and other	**2,242**	2,517	**–**	–
	87,336	64,793	**–**	–

Prior to harvest, the cost of agricultural activities are included in inventory. Upon harvest, the Group is required to value agricultural produce at fair value in line with NZ IAS 41: Agriculture. A fair value gain of $13,081,000 (2012: $1,614,000 loss) was recorded during the year and included within cost of sales.

Included within cost of sales is a total of $96,206,000 (2012: $97,726,000) which represents costs expended in grape growing (inclusive of leased costs), procurement, delivery and materials.

Notes to the Financial Statements *continued*

14. Property, Plant and Equipment

a) Reconciliation of Carrying Amounts at the Beginning and End of the Year

Year ended 30 June 2013	Freehold Land and Land Improvements $000	Vineyard Improvements $000	Buildings $000	Plant and Equipment $000	Capitalised Vineyard Lease Payments $000	Capital Work in Progress $000	Total $000
Net book value at 1 July 2012	53,734	32,298	25,696	57,098	3,589	13,557	**185,972**
Additions / Transfers	16,238	2,254	963	9,496	130	11,640	**40,721**
Acquisitions through business combinations	2,203	1,688	7,606	7,551	–	–	**19,048**
Disposals	–	–	–	(83)	–	–	**(83)**
Foreign currency translation	–	–	–	(65)	–	–	**(65)**
Depreciation charge	–	(1,982)	(706)	(8,907)	(597)	–	**(12,192)**
Net book value at 30 June 2013	72,175	34,258	33,559	65,090	3,122	25,197	**233,401**
At cost	72,182	47,046	39,647	113,656	15,295	25,197	**313,023**
Accumulated depreciation, amortisation and impairment	(7)	(12,788)	(6,088)	(48,566)	(12,173)	–	**(79,622)**
Net book value at 30 June 2013	72,175	34,258	33,559	65,090	3,122	25,197	**233,401**

Year ended 30 June 2012	Freehold Land and Land Improvements $000	Vineyard Improvements $000	Buildings $000	Plant and Equipment $000	Capitalised Vineyard Lease Payments $000	Capital Work in Progress $000	Total $000
Net book value at 1 July 2011	50,929	32,849	26,530	59,626	4,380	11,639	**185,953**
Additions / Transfers	2,805	1,218	(137)	5,833	130	1,921	**11,770**
Disposals	–	(147)	–	(135)	–	(3)	**(285)**
Foreign currency translation	–	–	–	(4)	–	–	**(4)**
Depreciation charge	–	(1,622)	(697)	(8,222)	(921)	–	**(11,462)**
Net book value at 30 June 2012	53,734	32,298	25,696	57,098	3,589	13,557	**185,972**
At cost	53,741	43,104	31,078	97,607	15,165	13,557	**254,252**
Accumulated depreciation, amortisation and impairment	(7)	(10,806)	(5,382)	(40,509)	(11,576)	–	**(68,280)**
Net book value at 30 June 2012	53,734	32,298	25,696	57,098	3,589	13,557	**185,972**

The Parent holds one class of long-term asset being plant and equipment. During the year there were no additions or disposals to plant and equipment. Depreciation for the year amounted to $nil (2012: $nil). At year end the net book value of $nil (2012: $nil) is represented by assets of $7,000 (2012: $7,000) and accumulated depreciation of $7,000 (2012: $7,000).

b) Other Items

During the year no assets were transferred and classified as assets available for sale. The weighted average interest rate on interest capitalised during the year was 6.67%.

Notes to the Financial Statements *continued*

15. Biological Assets

Biological assets consist of grape vines. Grapes, which are agricultural produce, are grown for use in the procurement of wine, as part of normal operations with the majority of vineyards located in New Zealand. During the year the Group also acquired a 41 hectare vineyard in Australia as part of the acquisition of Barossa Valley Estate Pty Limited. At 30 June 2013 the Group has grape vines planted on 994 productive hectares of land (2012: 848 productive hectares) in New Zealand and 41 hectares in Australia. During the year the Group harvested a total of 28,884 tonnes of grapes (2012: 20,290 tonnes). Of this amount a total of 9,196 tonnes (2012: 8,483 tonnes) were purchased from independent third party growers. The fair value of agricultural produce from the Group's owned and leased vineyards at the point of harvest was $33,637,000 (2012: $16,716,000).

Grape vines on the Group's New Zealand vineyards are measured at fair value less estimated point of sale costs at balance sheet date as determined by Logan Stone - an accredited and independent third party valuer. The biological assets of Barossa Valley Estate Pty Limited were also valued at fair value less estimated point of sale costs at the acquisition date. For vineyard operations which have a forecasted future market value in excess of $9,000,000 (2012: $9,000,000) or when the vineyard has in excess of 50 productive hectares, the fair value is based upon a discounted net cash flow model. The net present values determined for each vineyard from the model are first allocated to the non-biological assets with the value of the biological assets being the residual balance. All of the Group's interest in biological assets have been valued using this methodology. Inherent within this model are a number of assumptions that significantly impact upon the reported fair value and these are noted below.

The fair value of vines on leased land where the Group does not have the beneficial ownership in the vine asset, is not reported below, as the risks and rewards incidental to owning the vines do not transfer to the Group. The Group is however party to leases of land on which vine stock is owned by the Group. The fair value of these assets are reported, as the risk and rewards incidental to ownership are retained by the Group.

The discounted net cash flow model used to derive the fair value of large vineyards incorporates the following significant assumptions:

	2013	2012
i) Average remaining life of grape vines[(a)]	Variable	Variable
ii) Average yield per hectare of mature vineyards[(b)]	8.0 to 13.2 tonnes per hectare	8.5 to 14.0 tonnes per hectare
iii) Pre-tax discount rate which cash flows are discounted[(c)]	8.8% to 9.5%	9.3%
iv) Annual rate of inflation to cost and revenue inputs[(d)]	0.8% to 2.0%	1.4% to 2.0%
v) Vineyard maintenance costs[(e)]	$8,000 to $8,600 per hectare	$8,400 to $10,800 per hectare

[(a)] The average remaining life of grape vines is assumed to continue in perpetuity as vines not producing at commercial levels are replaced each year.

[(b)] The average yield is dependent upon the variety of grape grown, as well as the underlying health and age of the vine stock.

[(c)] The discount rate is based upon the long-term pre-tax discount rate of the Group. The rate used is consistent with the Group's long-term cost of capital.

[(d)] Grape prices are reviewed annually after taking into consideration various market factors, as well as reviewing the district average pricing report for grapes of similar quality and variety. Prices for grapes range from $1,500 to $2,600 per tonne, depending on the varietal sold. Subsequent years' grape prices per tonne are then indexed for inflation.

[(e)] Vineyard maintenance costs exclude capital expenditure, management fees and lease costs for leased vineyards. These are separately included within the discounted net cash flow model. The Independent Valuer has estimated the total running cost on a per hectare basis, which is variable depending on vineyard management, size and scale of the vineyard being assessed. For leased vineyards the actual annual lease cost is used with future lease costs adjusted for the anticipated movements in lease costs as a result of the rent reviews.

Notes to the Financial Statements *continued*

15. Biological Assets (continued)

Replacement plantings required are expensed as incurred. During the year the Group had incurred $29,000 (2012: $82,000) associated with the replanting of vines. These expenses are included as repairs and maintenance.

All of the model assumptions were determined by Independent Valuer, Logan Stone, and were considered reasonable by the Directors of the Group.

The movement in the fair value of biological assets (grape vines) is summarised as follows:

	GROUP	
	2013 $000	2012 $000
Carrying value at the start of the year	**47,883**	47,020
Purchases of biological assets	**6,625**	18
Acquisitions through business combination	**1,452**	–
Disposal of biological assets	**–**	(513)
Changes in fair value less estimated point of sale costs	**2,947**	1,358
Carrying value at the end of the year	**58,907**	47,883

Changes in fair value result from vineyards attaining full maturity and vines reaching the maximum expected yield per hectare.

16. Income Tax Expense

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
a) Numerical Reconciliation between aggregate tax expense in the statement of financial performance and tax expense calculated per the statutory income tax rate				
Accounting profit before tax	**58,280**	35,710	**32,191**	3,653
At the Group's statutory income tax rate of 28% (2012: 28%)	**16,318**	9,999	**9,013**	1,023
Tax Impact of following items:				
Adjustments in respect of income tax of prior years	**(46)**	(23)	**5**	37
Entertainment	**85**	76	**–**	1
Legal fees and acquisition costs	**576**	47	**–**	–
Non–assessable income	**(7)**	(57)	**(7,947)**	–
Non–deductible interest and other items	**2**	16	**16**	(21)
Tax on foreign income due to different tax rates	**128**	166	**–**	–
Share–based payments	**8**	21	**–**	–
Removal of tax depreciation on buildings	**–**	15	**–**	–
Income tax expense for the year	**17,064**	10,260	**1,087**	1,040

Notes to the Financial Statements *continued*

16. Income Tax Expense (continued)

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
b) The major components of income tax expense are:				
Estimated current period tax assessment	11,866	10,129	1,082	1,003
Adjustments in respect of income tax of prior years	(107)	(32)	5	37
Movements in the deferred income tax liability	5,305	163	–	–
Income tax expense for the year	17,064	10,260	1,087	1,040
c) Deferred income tax at balance sheet date relates to the following:				
i) Deferred tax liabilities				
Capitalised interest	1,976	1,995	–	–
Capitalised leases	873	1,027	–	–
Accelerated depreciation of long–term assets	10,549	10,793	–	–
Excess of fair value of biological assets over tax values	10,783	9,958	–	–
Fair value adjustments on biological produce	4,294	888	–	–
Gross deferred tax liabilities	28,475	24,661	–	–
ii) Deferred tax assets				
Provisions	630	613	5	5
Stock profit and intercompany eliminations	241	139	–	–
Financial derivative instruments	291	1,284	–	–
Fair value adjustments on biological produce	88	654	–	–
Gross deferred tax assets	1,250	2,690	5	5
Net deferred tax liability/(asset)	27,225	21,971	(5)	(5)
Balance at beginning of the year	21,971	21,808	(5)	(5)
On surplus for year	5,305	163	–	–
Acquisition through business combination	(59)	–	–	–
Foreign currency translation	8	–	–	–
Balance at the end of the year	27,225	21,971	(5)	(5)

There are no elements of deferred taxes which are reported within equity.

Notes to the Financial Statements *continued*

17. Imputation Credit Account

	PARENT	
	2013 $000	2012 $000
Balance at beginning of the year	**17,087**	12,559
Tax payments	**10,147**	7,901
Fully imputed dividend paid	**(3,734)**	(3,373)
Balance at the end of the year	**23,500**	17,087
At balance sheet date the imputation credits available to the shareholders of the Parent were:		
Through direct shareholding in the Parent	**15,537**	4,237
Through indirect interests in subsidiaries	**7,963**	12,850
	23,500	17,087

18. Commitments

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
a) Operating Leases				
Lease commitments under non–cancellable operating leases.				
Within one year	**14,345**	16,551	**51**	72
One to two years	**10,255**	10,839	**–**	18
Two to five years	**14,801**	12,704	**–**	–
Beyond five years	**26,107**	24,730	**–**	–
	65,508	64,824	**51**	90

Operating lease commitments include long-term land leases, which allow the Group to access prime viticultural land in the Marlborough and Hawke's Bay areas. The leases provide the Group the right of first refusal in the event that the land is put up for sale. Vineyard leases generally comprise an initial term of ten years with following rights of renewal which vary depending on the vineyard. Leases are reviewed every five years and if required the market rate of rent is adjusted in relation to the market value of the underlying land plus a guaranteed rate of return as determined by the five year government bond rate. Other operating lease commitments include short-term car, barrel and equipment leases.

b) Capital Commitments

The estimated capital expenditure contracted for at 30 June 2013 but not provided for is $6,227,000 (2012: $4,950,000).

Notes to the Financial Statements *continued*

19. Investment in Subsidiaries

	PARENT 2013 $000	PARENT 2012 $000
The Parent's direct or ultimate investment in subsidiaries comprises shares at cost and Share-based Payment awards settled by the Parent on behalf of the subsidiaries:		
Investments	2,842	2,807

Investments in controlled entities are detailed in Note 20.

20. Related Parties

a) Investment in Subsidiaries

Name of Entity	Principal Activity	Parent Company	Country of Incorporation	Ownership Interest % 2013	Ownership Interest % 2012
Delegat's Wine Estate Limited	Winemaking, Sales and Distribution	Delegat's Group Limited	New Zealand	100.00	100.00
Oyster Bay Wines (Canada) Limited	Brand Marketing	Delegat's Group Limited	Canada	100.00	100.00
Oyster Bay Wines Australia Pty Limited	Sales and Distribution	Delegat's Group Limited	Australia	100.00	100.00
Oyster Bay Wines (USA) Limited	Brand Marketing	Delegat's Group Limited	New Zealand	100.00	100.00
Oyster Bay Wines USA, Inc.	Sales and Distribution	Delegat's Group Limited	United States of America	100.00	100.00
Delegat's Wine Estate (UK) Limited	Sales and Distribution	Delegat's Wine Estate Limited	United Kingdom	100.00	100.00
Oyster Bay Wines (Singapore) Pte. Limited	Sales and Distribution	Delegat's Group Limited	Singapore	100.00	100.00
Barossa Valley Estate Pty Limited	Winemaking, Sales and Distribution	Delegat's Wine Estate Limited	Australia	100.00	–

All subsidiaries have a balance sheet date of 30 June.

Notes to the Financial Statements *continued*

20. Related Parties (continued)

	PARENT 2013 $000	PARENT 2012 $000
At balance sheet date the Parent has the following balances that are due from subsidiary companies:		
Delegat's Wine Estate Limited	54,771	61,316
Delegat's Wine Estate (UK) Limited	125	133
Oyster Bay Wines Australia Pty Limited	117	156
Oyster Bay Wines USA, Inc.	241	246
Oyster Bay Wines (Singapore) Pte. Limited	14	10
Barossa Valley Estate Pty Limited	29,057	–
	84,325	61,861

The Parent completed a capital raise in 2006. These funds were advanced to Delegat's, supported by an interest-bearing loan agreement.

The Parent receives working capital funding support from Delegat's, the main operating subsidiary within the Group.

b) Key Management Personnel

Details relating to key management personnel, including remuneration paid, are included within Note 21.

c) Related Parties by Virtue of Share Ownership

The following Directors hold the following number of Shares in the Parent	2013	2012
Jakov Delegat and Rosamari Delegat and Robert Wilton	66,857,142	66,857,142
Robert Wilton	1,000,000	1,000,000
John Maasland	N/A	3,490

The individuals above are considered related parties as a result of their shareholding or by virtue of being considered a member of key management. During the year a total of $100,000 (2012: $100,000) was paid to Robert Wilton in his capacity as a non-executive Director. Rosamari Delegat received $50,000 (2012: $50,000) in her capacity as a non-executive Director during the year.

During the year a total of $100,000 (2012: $100,000) was paid to Robert Wilton in his capacity as an independent consultant, under normal terms and conditions.

Please also refer to the Disclosure of Directors' Interests at the back of this report.

d) Transactions with Related Parties who have Significant Influence over Subsidiary Companies

During the period Oyster Bay Wines Australia Pty Limited paid a total of $19,000 (2012: $20,000) to Yaroona Pty Limited. The payments made to Yaroona Pty Limited were made in Peter Taylor's capacity as Company Director and were under normal commercial terms and conditions. Peter Taylor was considered to be a related party by virtue of his ability to significantly influence the financial and operating policies of a subsidiary company.

Notes to the Financial Statements *continued*

20. Related Parties (continued)

e) Transactions with Related Parties under Common Control

The following table provides the total amount of transactions that were made between the Parent company and subsidiaries for the relevant financial year.

			DELEGAT'S GROUP	
			Purchases From	Sales To
Management fee recharges	– Delegat's Wine Estate Limited	*2013*	–	1,241,000
		2012	–	1,265,000
	– Delegat's Wine Estate (UK) Limited	*2013*	–	125,000
		2012	–	133,000
	– Oyster Bay Wines Australia Pty Limited	*2013*	–	117,000
		2012	–	133,000
	– Oyster Bay Wines USA, Inc.	*2013*	–	241,000
		2012	–	246,000
Interest recharges	– Delegat's Wine Estate Limited	*2013*	–	3,528,000
		2012	–	3,528,000
	– Barossa Valley Estate Pty Limited	*2013*	–	30,000
Dividends received	– Delegat's Wine Estate Limited	*2013*	–	28,384,000

f) Transactions with Delegat's Wine Estate Limited

The Parent completed a capital raise in 2006. These funds were advanced to Delegat's, supported by an interest-bearing loan agreement and is repayable on demand. During the year the Parent recognised $3,528,000 (2012: $3,528,000) of interest revenue from Delegat's. Interest is charged at a fixed rate of 8.50%.

The Parent receives working capital funding support from Delegat's and interest is settled when the need for working capital is required by the Parent. The Parent will not demand repayment of the amounts owed from Delegat's in the next 12 months.

During the year the Parent had also charged Delegat's management fees of $1,241,000 (2012: $1,265,000) and these remain payable at the balance sheet date. Management fees are based upon a proportion of actual costs incurred by the Parent on behalf of Delegat's and are expected to be settled within 30 days.

g) Transactions with Delegat's Wine Estate (UK) Limited

During the year the Parent had charged Delegat's Wine Estate (UK) Limited management fees of $125,000 (2012: $133,000). The Management fees are based on an allocation of actual cost incurred by the Parent on behalf of Delegat's Wine Estate (UK) Limited and are expected to be settled within 30 days.

h) Transactions with Oyster Bay Wines Australia Pty Limited

During the year the Parent had charged Oyster Bay Wines Australia Pty Limited management fees of $117,000 (2012: $133,000). The Management fees are based on an allocation of actual cost incurred by the Parent on behalf of Oyster Bay Wines Australia Pty Limited and are expected to be settled within 30 days.

i) Transactions with Oyster Bay Wines USA, Inc.

During the year the Parent had charged Oyster Bay Wines USA, Inc. management fees of $241,000 (2012: $246,000). The Management fees are based on an allocation of actual cost incurred by the Parent on behalf of Oyster Bay Wines USA, Inc. and are expected to be settled within 30 days.

Notes to the Financial Statements *continued*

20. Related Parties (continued)

j) Transactions with Barossa Valley Estate Pty Limited

During the year the Parent advanced Barossa Valley Estate Pty Limited $29,057,000, supported by an interest bearing loan agreement and is repayable on demand. During the year the Parent recognised $30,000 of interest revenue from Barossa Valley Estate Pty Limited. Interest is charged based on the interest rate payable on the Westpac Term Facility (AUD).

21. Key Management Personnel

Compensation of Key Management Personnel

Included in the definition of related parties are Key Management Personnel having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly, including any Director. Management have assessed the composition of the Key Management and their compensation for the year ended 30 June is presented below:

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Short–term employee benefits	**5,824**	5,692	**1,210**	1,184
Post–employment benefits	**135**	111	**–**	–
Termination payments	**–**	94	**–**	–
Share–based payments expense	**35**	76	**–**	–
	5,994	5,973	**1,210**	1,184

22. Auditor's Remuneration

The auditor of Delegat's Group Limited is Ernst & Young. Amounts received, or due and receivable, by Ernst & Young are as follows:

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Audit of the financial statements	**183**	183	**132**	131
Other assurance related services	**5**	5	**5**	5
Tax compliance	**135**	103	**25**	27
	323	291	**162**	163

Notes to the Financial Statements *continued*

23. Reconciliation of Profit for the Year with Net Cash Flows from Operating Activities

	GROUP		PARENT	
	2013 $000	2012 $000	2013 $000	2012 $000
Reported profit after tax	41,216	25,450	31,104	2,613
Plus items not involving cash flows				
Fair value movement on biological assets	(2,947)	(1,358)	–	–
Amortisation of leases	597	921	–	–
Depreciation expense	11,595	10,541	–	–
Other non–cash items	(236)	163	(235)	(3)
Gain/Loss on disposal of assets	(95)	244	–	–
Movement in derivative financial instruments	(3,546)	1,519	–	–
Movement in deferred tax assets	(91)	–	–	–
Movement in deferred tax liabilities	5,345	163	–	–
	51,838	37,643	30,869	2,610
Movement in working capital balances are as follows:				
Trade payables and accruals	4,639	1,308	(125)	116
Trade and other receivables	(273)	5,133	53	(61)
Inventories	(22,543)	4,686	–	–
Income tax	(296)	(10)	(29)	241
	(18,473)	11,117	(101)	296
Deduct items classified as investing and financing activities				
Capital purchases included within trade payables and inventories	5,798	835	–	–
Related party funding included within working capital	–	–	(33,449)	(5,307)
Acquisition costs	84	–	–	–
	(12,591)	11,952	(33,550)	(5,011)
Net Cash Inflows/(Outflows) from Operating Activities	39,247	49,595	(2,681)	(2,401)

Notes to the Financial Statements *continued*

24. Events Subsequent to Balance Sheet Date

On 26 August 2013, the Directors of the Parent declared a fully imputed dividend of $10,113,000 (10.0 cents per share) to be paid on 11 October 2013.

On 1 July 2013, Delegat's completed the purchase of the land and vineyard improvements that comprise the Moleta vineyard for total consideration of $3,050,000.

25. Earnings Per Share

The following reflects the earnings used in the calculation of the basic and fully diluted earnings per share.

	GROUP	
	2013	2012
a) Earnings Used in Calculating Earnings per Share		
Profit for the year – basic and fully diluted ($000)	**41,216**	25,450
b) Weighted Average Number of Shares		
Weighted average number of shares – basic (000's)	**100,930**	100,630
Weighted average number of shares – fully diluted (000's)	**101,130**	101,130
c) Reported Earnings Per Share on statement of financial performance (expressed as cents per share)		
– Basic earnings per share	**40.84**	25.29
– Fully diluted earnings per share	**40.76**	25.17

The Shares issued under the Delegat's Group Limited Employee Share Ownership Plan, as disclosed in Note 6, are excluded from the weighted average number of shares on issue for the purpose of the basic earnings per share calculation because at the balance sheet date all conditions in relation to these shares have not been met. They are included in the weighted average number of shares on issue for the purpose of the fully diluted earnings per share calculation.

26. Business Combination

On 19 June 2013, Delegat's Wine Estate Limited acquired the net assets of Barossa Valley Estate Pty. Limited, an unlisted public company in Australia. The net assets acquired included a 5,000 tonne winery and a 41 hectare vineyard on 80 hectares of land in the Barossa Valley, South Australia. The Group's goal is to grow Barossa Valley Estate's super-premium Shiraz brand and establish a Barossa Valley Estate's Cabernet Sauvignon. The Group will use its existing in-market sales offices and new varieties to provide future sales growth globally.

The cash consideration transferred was $28,594,000 (A$24,125,000).

Notes to the Financial Statements *continued*

26. Business Combination (continued)

The provisional fair values of the identifiable assets and liabilities of Barossa Valley Estate Pty. Limited as of the date of acquisition were as follows:

	Consolidated fair value at acquisition date $000
Trade and other receivables	118
Inventories	8,116
Property, plant and equipment	19,048
Biological assets	1,452
Deferred tax asset	59
	28,793
Trade and other payables	199
	199
Provisional fair value of identifiable net assets	28,594
Acquisition-date fair value of consideration transferred:	
Cash paid	28,594
Consideration transferred	28,594
Direct costs relating to the acquisition (included in administration expenses)	1,895
The cash outflow on acquisition of subsidiary is as follows:	
Cash paid	28,594
Acquisition costs	84
Cash outflow from acquisition of subsidiaries	28,678

The consolidated statement of financial performance includes a net loss for the period from 19 June 2013 to balance date of $1,742,000. This includes $1,661,000 of the acquisition costs which were incurred in Barossa Valley Estate Pty Limited. The remaining acquisition costs were incurred by Delegat's Wine Estate Limited.

Independent Auditor's Report

Building a better working world

Chartered Accountants

To the Shareholders of Delegat's Group Limited

Report on the Financial Statements

We have audited the financial statements of Delegat's Group Limited and its subsidiaries on pages 32 to 84, which comprise the statement of financial position of Delegat's Group Limited and the group as at 30 June 2013, and the statement of financial performance, statement of other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended of the company and group, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the company's shareholders, as a body, in accordance with section 205(1) of the Companies Act 1993. Our audit has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of the financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). These auditing standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we have considered the internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Ernst & Young provides taxation services to the group. We have no other relationship with, or interest in Delegat's Group Limited or any of its subsidiaries.

Partners and employees of our firm may deal with the group on normal terms within the ordinary course of trading activities of the business of the group.

Opinion

In our opinion, the financial statements on pages 32 to 84:

- comply with generally accepted accounting practice in New Zealand;
- comply with International Financial Reporting Standards; and
- give a true and fair view of the financial position of Delegat's Group Limited and the group as at 30 June 2013 and the financial performance and cashflows of the company and group for the year then ended.

Report on Other Legal and Regulatory Requirements

In accordance with the Financial Reporting Act 1993, we report that:

- We have obtained all the information and explanations that we have required.
- In our opinion proper accounting records have been kept by Delegat's Group Limited as far as appears from our examination of those records.

Ernst & Young

26 August 2013
Auckland

Corporate Governance

This statement provides an outline of the main corporate governance policies and practices that the Company had in place during the past financial year.

The Board is committed to conducting the Company's business ethically and in accordance with high standards of corporate governance. The Board reviews the Company's policies, practices and other arrangements governing and guiding the conduct of the Company.

The Board believes that the Company's policies and practices have complied in all substantial respects with corporate governance best practice in New Zealand, including the Corporate Governance Best Practice Code attached as Appendix 16 to the NZSX Listing Rules.

Role of the Board

The Board is responsible for the proper direction and control of the Company's activities and acknowledges the need for the highest standard of corporate governance. This responsibility includes such areas of stewardship as the identification and control of the Group's business risks, the integrity of management systems and reporting to shareholders.

The primary objective of the Board is to build long-term shareholder value, with due regard to other stakeholder interests. It does this by adopting the strategic plans, objectives and policies that have been set for the Company by the Managing Director, together with senior executives. It is the responsibility of the Managing Director to deliver effective execution of the strategic plans and manage the daily affairs of the Company. The Managing Director reports regularly to the Board on critical issues being faced by the Company, as well as the progress being made against the strategic plans.

The Board of Delegat's Group Limited meets formally a minimum of six times during the financial year and regularly holds additional meetings to deal with specific matters faced by the Group.

Another responsibility of the Board is evaluating the performance of the Managing Director, as well as reviewing the procedures that are in place for appointing and monitoring the performance of senior executives.

Composition of the Board

The composition of the Board is determined using the following principles:

- the Board may, in accordance with the Constitution, comprise up to nine Directors;
- the Chairman of the Board should be a non-executive Director; and
- the Board should comprise Directors with a mix of qualifications, skills and experience appropriate to the Company's existing operations and strategic direction.

The NZSX Listing Rules and the Company's constitution require one third of the Directors to retire from office at the Annual Meeting of Shareholders each year. Retiring Directors are eligible for re-election. As at the end of the financial year, the Board had four non-executive Directors, and one executive Director. Details of the Directors as at the date of this report, including their qualifications and experience, are set out on pages 28 to 30.

Director Independence

The Board has adopted the definition of independence set out in the NZSX Listing Rules.

The Company considers that, at the balance date, two of its non-executive Directors were independent. The Company notes that it has the minimum number of independent directors as required by the NZSX Listing Rules.

Director Nomination

The responsibility for Board succession planning, including identifying suitable candidates for recruitment to the Board, is undertaken by the Board, drawing on advice from independent consultants as appropriate. Nominated candidates are assessed against a number of criteria which include background, professional skills and experience and their availability to commit themselves to the role.

Board Performance Evaluation

All non-executive Directors are expected to participate in performance reviews, particularly prior to the re-election of a non-executive Director to the Board. The findings of the performance review process are used to identify, assess and enhance

Corporate Governance *continued*

Directors' competencies and to define characteristics or skills which should be sought in future Board candidates. Although no formal performance evaluation for the Board and its members has taken place during the reporting period, a system has been put in place for this to be done in future periods.

Conflicts of Interest

In order to ensure that any 'interests' of a Director in a particular matter to be considered by the Board are known by each Director, the Company has developed protocols, consistent with obligations imposed by the New Zealand Companies Act 1993, to require each Director to disclose any relationships, duties or interests held that may give rise to a potential conflict.

Remuneration – Non-executive Directors

Remuneration levels are set at competitive levels to attract and retain appropriately qualified and experienced Directors. The Company's policy is to pay all of its Directors in cash.

The fees of the Chairman and the non-executive Directors are set within the aggregate amount determined in accordance with the NZSX Listing Rules, and at levels that reflect the responsibilities and time commitments provided by those Directors to the Company in discharging their duties. The NZSX Listing Rules require that the Company approve the total aggregate amount payable to all Directors as Directors' fees. Currently, the total maximum aggregate amount of fees payable to the Directors is $300,000 per annum. The criteria for reviewing non-executive Director remuneration includes obtaining advice from external consultants as appropriate, information on Board arrangements for other corporations of similar size and complexity, and the review of current and expected workloads of non-executive Directors (including as a member or Chairman, of the Board Committees). The Board will continue to review its remuneration strategies in relation to non-executive Directors from time to time, in line with general industry practice. Full details of the remuneration paid to non-executive Directors are set out on page 89.

Remuneration – Managing Director and Senior Executives

The criteria for reviewing the remuneration for senior executives includes, as appropriate, advice obtained from external consultants, participation in independent surveys, specific market comparison of individual roles, and level of achievement against business and personal objectives.

Diversity

The current proportion of women directors and key management personnel within the Group as at 30 June 2013 is set out in the table below. Comparative figures as at 30 June 2012 have also been included.

	% Female		% Male	
	2013	2012	2013	2012
Board of Directors	40	40	60	60
Key Management Personnel	6	6	94	94

Independent Professional Advice

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense, provided the costs are reasonable and the advice is specific. Prior approval from the Chairman is required, which will not be unreasonably withheld.

Committees of the Board

The Board has established one working committee, an Audit and Compliance Committee. The committee has its own charter setting out the objectives, composition, and responsibilities of the committee. The Board will periodically review the charter.

Audit and Compliance Committee

The Audit and Compliance Committee comprises three non-executive Directors:

Dr Alan Jackson (Chairman), Jane Freeman and Robert Wilton.

Corporate Governance *continued*

Audit and Compliance Committee (continued)

The Board is of the opinion that sufficient financial expertise and knowledge of the industry in which the Company operates is possessed by the members of the Audit and Compliance Committee. Details of the qualifications of the Audit and Compliance Committee members are set out on pages 28 to 30. The primary objective of the Audit and Compliance Committee is to assist the Board of Directors in fulfilling its responsibilities relating to annual reporting, tax planning and compliance, and risk management practices.

Members of management may attend meetings of the committee at the invitation of the Committee Chairman.

Managing Risks

The Board has identified a number of risks in the Company's operations that are commonly faced by other entities in the industry in which the Company operates. The Board and management of the Company believe they have taken all necessary steps to manage and mitigate those risks.

Internal Controls and Framework

Procedures have been established at the Board and executive management levels that are designed to safeguard the assets and interests of the Company, and ensure the integrity of reporting. These include accounting, financial reporting and internal control policies and procedures. The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities. To assist in discharging this responsibility, the Board has instigated and is further developing an internal control framework that can be described as follows:

- Financial reporting – There is a comprehensive budgeting system with an annual budget approved by the Directors. Monthly actual results are reported against budget and it is intended that revised forecasts for the year will be prepared regularly. The consolidated entity reports to shareholders half-yearly. Procedures are also in place to ensure that price-sensitive information is reported to the NZSX in accordance with continuous disclosure requirements.
- Operating unit controls – Financial controls and procedures, including information systems controls, are in operation throughout the consolidated entity.
- Investment appraisal – The consolidated entity has clear guidelines for capital expenditure. These include annual budgets, detailed appraisal and review procedures.

External Auditor

The Board has adopted a policy in relation to the provision of non-audit services by the Company's external auditor in order to ensure the independence of the external auditor, which is based on the principle that work that may detract from the external auditor's independence and impartiality (or that may be perceived as doing so) should not be carried out by the external auditor.

The Audit and Compliance Committee monitors the nature and extent of other services provided by the external auditor, and the ratio of audit fees to non-audit fees, to ensure that those services are complementary to the external audit and compatible with maintaining external audit independence. The Company will invite the external auditor to attend the Annual Meeting of Shareholders and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Insurance

The Company carries insurance which the Board considers is sufficient for the size and nature of the Company's business.

Continuous Disclosure and Communication with Shareholders

The Company is committed to providing relevant and timely information to its shareholders and to the broader market, in accordance with its obligations under the NZSX Listing Rules.

The Company's website contains copies of our historic annual reports and financial statements. The Board encourages full participation of shareholders at the Annual Meeting of Shareholders in order to promote a high level of accountability and discussion of the Company's strategy and goals.

Other Disclosures

Disclosure of Interests by Directors

In accordance with section 140(2) of the Companies Act 1993, the Directors have made general disclosure of their relevant interests for entry into the Group's Interest Register.

Directors have declared interests in the following transactions with subsidiary companies during the financial year:

- Oyster Bay Wines Australia Pty Limited paid fees to Yaroona Pty Limited, a company in which a Director of Oyster Bay Wines Australia Pty Limited has an interest;
- Oyster Bay Wines (Singapore) Pte. Limited paid fees to Camelot Trust Pte. Limited, a company in which a Director of Oyster Bay Wines (Singapore) Pte. Limited has an interest;
- Barossa Valley Estate Pty Limited paid consultancy fees to A Hoey, Director of Barossa Valley Estate Pty Limited, for consultancy services supplied during the year; and
- Delegat's Wine Estate Limited paid consultancy fees to RL Wilton for consultancy services supplied during the course of the year.

The details of these transactions are given in Note 20 to the financial statements, "Related Parties".

At 30 June 2013 and 26 August 2013 the following Directors, or entities related to them, had interests in the following company shares.

	ORDINARY SHARES	
Delegat's Group Limited	Beneficial	Non-Beneficial
JN Delegat [1]	–	66,857,142
RS Delegat [1]	–	66,857,142
RL Wilton [1]	1,000,000	66,857,142

[1] JN Delegat, RS Delegat and RL Wilton hold non-beneficially 66,857,142 shares in their capacity as trustees of the Delegat's Shares Protection Trust.

Share Dealings by Directors

During the year the Directors did not deal in any shares of the Company, or in the shares of a subsidiary company.

Remuneration of Directors

Directors received the following fees and remuneration from Delegat's Group Limited:

	2013 $000	2012 $000
Non-Executive Directors		
RL Wilton[1]	100	100
JH Maasland (retired 2 December 2012)	60	60
JL Freeman	50	50
RS Delegat	52	53
AW Jackson (appointed 15 October 2012)	40	–
Executive Directors[2]		
JN Delegat	907	923

[1] Robert Lawrence Wilton was paid $100,000 (2012: $100,000) for consulting services provided to Delegat's Wine Estate Limited, in addition to Directors fees.

[2] Executive Directors remuneration includes salary and benefits received in their capacity as employees. Executive Directors do not receive Directors fees.

Other Disclosures *continued*

Directors' and Officers' Insurance Liability

As permitted by the New Zealand Companies Act 1993, the Company has arranged a policy of Directors' and Officers' liability insurance which insures those persons indemnified to certain liabilities and costs.

Use of Company Information

There were no notices from Directors of the Company requesting to use Company information received in their capacity as Directors, which would not otherwise have been made available to them.

Stock Exchange Listings

The Company's Shares are listed on the New Zealand Stock Exchange.

20 Largest Shareholders as at 26 August 2013

Holder	Shares Held	% of Shares
Jakov Nikola Delegat, Rosamari Suzan Delegat & Robert Lawrence Wilton	66,857,142	66.11
TEA Custodians Limited – NZCSD[1]	7,163,404	7.08
Kevin Glen Douglas & Michelle McKenney Douglas	4,984,078	4.93
James Douglas & Jean Ann Douglas	2,328,356	2.30
Kevin Douglas & Michelle Douglas	2,326,295	2.30
Superlife Trustee Nominees Limited	1,141,398	1.13
Robert Lawrence Wilton	1,000,000	0.99
Accident Compensation Corporation – NZCSD[1]	712,700	0.70
Custodial Services Limited	688,765	0.68
New Zealand Permanent Trustees Limited – NZCSD[1]	517,035	0.51
JP Morgan Chase Bank – NZCSD[1]	330,232	0.33
Rainer Huebner & Shanti Huebner	225,000	0.22
Custodial Services Limited	209,908	0.21
Warren Fraser Sanderson & Elizabeth Ann Sanderson	200,000	0.20
Weijun Zhang and Yuhua Yang	180,000	0.18
Custodial Services Limited	179,789	0.18
New Zealand Anglican Church Pension Board Incorporated	175,000	0.17
William John Bishop & Helen Mark Bishop & Michael David Toomey	162,000	0.16
Custodial Services Limited	161,831	0.16
Custodial Services Limited	151,812	0.15
Total for Top 20	**89,694,745**	**88.69**

[1]Shareholdings held in New Zealand Central Securities Depository Limited (NZCSD). Total holding at 26 August 2013 in NZCSD were 9,213,322.

Other Disclosures *continued*

Distribution of Ordinary Shares

Holder	Holders	Shares Held	% of Shares
1 – 5,000	1,605	3,968,499	3.92
5,001 – 10,000	342	2,657,442	2.63
10,001 – 100,000	209	4,665,097	4.61
100,001 plus	21	89,839,154	88.84
Total	**2,177**	**101,130,192**	**100.00**

Geographic Distribution

Holder	Holders	Shares Held	% of Shares
New Zealand	2,121	91,093,810	90.09
United States of America	8	9,752,875	9.64
Australia	33	225,739	0.22
Other Overseas	15	57,768	0.05
Total	**2,177**	**101,130,192**	**100.00**

Substantial Security Holders

According to notices given to the Company under the Securities Market Act 1988, as at 26 August 2013, the substantial security holders in the Company are:

Substantial Security Holders	Relevant Interest	% of Shares	Date of Notice
Jakov Nikola Delegat, Rosamari Suzan Delegat & Robert Lawrence Wilton	66,857,142	66.11	21 December 2011
Douglas Irrevocable Descendants Trust; Douglas Family Trust; K&M Douglas Trust	9,067,636	8.97	27 July 2012

Employee Remuneration

Section 211(1)(g) of the New Zealand Companies Act 1993 requires disclosure of remuneration and other benefits, including redundancy and other payments made on termination of employment, in excess of $100,000 per year, paid by the Company or any of its subsidiaries worldwide to any employees who are not Directors of the Company.

Other Disclosures *continued*

Employee Remuneration (continued)

From $	*To* $	TOTAL
100,000	110,000	17
110,001	120,000	17
120,001	130,000	9
130,001	140,000	5
140,001	150,000	3
150,001	160,000	5
160,001	170,000	6
170,001	180,000	2
180,001	190,000	5
190,001	200,000	4
200,001	210,000	1
210,001	220,000	1
220,001	230,000	4
240,001	250,000	2
260,001	270,000	1
270,001	280,000	2
280,001	290,000	1
290,001	300,000	1
330,001	340,000	1
340,001	350,000	1
350,001	360,000	1
390,001	400,000	1
400,001	410,000	1
470,001	480,000	1
760,001	770,000	1
900,001	910,000	1
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Subsidiary Company Directors

Section 211(1)(2) of the New Zealand Companies Act 1993 requires the Company to disclose, in relation to its subsidiaries, the total remuneration and value of other benefits received by Directors and former Directors and particulars of entries in the interest registers made during the year ended 30 June 2013.

Apart from Oyster Bay Wines Australia Pty Limited, Oyster Bay Wines (Singapore) Pte. Limited and Barossa Valley Estate Pty Limited, which are required to have a local resident as a Director of the Company, no wholly owned subsidiary has any employee appointed as a Director of Delegat's Group Limited or its subsidiaries who receives, or retains any remuneration or other benefits, as a Director. Except where shown on page 89, no other Director of any subsidiary Company within the Group receives Director's fees or other benefits as a Director.

Other Disclosures *continued*

Subsidiary Company Directors (continued)

The following persons respectively held office as Directors of subsidiary companies at the end of the year or in the case of those persons with the letter (R) after their name ceased to hold office during the year. Alternate Directors are indicated by the letter (A) after their name.

Delegat's Wine Estate Limited

JN Delegat, RS Delegat, JH Maasland (R), RL Wilton

Delegat's Wine Estate (UK) Limited

JN Delegat, RS Delegat, JH Maasland (R), RL Wilton

Oyster Bay Wines Australia Pty Limited

JN Delegat, RS Delegat, JH Maasland (R), RL Wilton, PJ Taylor

Oyster Bay Wines USA Inc.

JN Delegat

Oyster Bay Wines (USA) Limited

JN Delegat, RS Delegat, JH Maasland (R), RL Wilton

Oyster Bay Wines (Canada) Limited

JN Delegat, RS Delegat, JH Maasland (R), RL Wilton

Oyster Bay Wines (Singapore) Pte. Limited

JN Delegat, RS Delegat, JH Maasland (R), RL Wilton, A Chew Peck Hwa

Marlborough-Gold Wines Limited

JN Delegat, RS Delegat, RL Wilton

Oyster Bay Wines New Zealand Limited

JN Delegat

Barossa Valley Estate Pty Limited

JN Delegat, RL Wilton, A Hoey

Donations

During the year the Parent made donations of $nil and the subsidiaries made donations amounting to $2,000.

New Zealand Exchange Waivers

Delegat's Group Limited has not obtained any waivers from the NZSX in the financial year ended 30 June 2013.

Directory

Directors
Robert Lawrence Wilton
Jakov Nikola Delegat
Rosamari Suzan Delegat
Jane Lesley Freeman
Alan William Jackson

Registered Office
Level 1, 10 Viaduct Harbour Avenue
Auckland 1010
PO Box 91681
Victoria Street West
Auckland 1142

Banker
Westpac Banking Corporation
318 Lambton Quay
PO Box 691
Wellington 6140

Solicitors
Jones Young
Level 19, BDO Tower
120 Albert Street
PO Box 189
Shortland Street
Auckland 1140

Auditors
Ernst & Young
Ernst & Young Building
2 Takutai Square
Britomart
Auckland 1010

Share Registrar
Computershare Investor Services Limited
Private Bag 92119
Auckland 1142
Level 2, 159 Hurstmere Road
Takapuna
Auckland 0622

Managing your shareholding online:
To change your address, update your payment instructions and to view your registered details including transactions please visit

www.investorcentre.com/NZ

General enquiries can be directed to:
enquiry@computershare.co.nz

Private Bag 92119
Auckland

Telephone:
+64 9 488 8777
Facsimile:
+64 9 488 8787

Please assist our registry by quoting your CSN or shareholder number.

www.consumer.org.nz/reports/sparkling-wine

DELEGAT'S GROUP LIMITED

Annual Report 2013

ABBY GREENING ABIGAIL STAMP ADDY MENZIES ADRIAN SIBENIUS-TRIP ADRIENNE WARD AGATHE GENTY AGNES BINIEK AH SAM AH SAM ALAN JACKSON ALESSIA ZINNA ALEX MCSEVENEY ALEX RYZHKOV ALEX WRIGHT ALEXANDRA FREWER ALEXANDRA HORNE ALF GOODIER ALICE GREEN ALICE BURDEN ALLAN NEAL ALLYSON DEPETRILLO AMANDA WILLIAMS AMANDA ZELMAN AMI PETROSSI AMY BOURKE AMY JENNER-LEUTHART ANDRE POTAPPEL ANDREA BINNING ANDREW KEAM ANDREW STAFFORD ANDREW CAMERON ANDREW MCILHONE ANDREW HOLLAND ANDRIAN TARANU ANDY LUFFMAN ANGELA IZATT ANGELA DENNIS ANGELA SO'OAEMALELAGI ANGUS SEABROOK ANITA FAITA ANITA OVERGAAUW ANNA BISHOP ANNA RENNIE ANNEMARIE HALE ANNE-MARIE CHENIER ANTHONY COOPER ANTHONY HUGHES ASHLEY HARGRAVE AURELIE LONGUET BALA BALASUBRAMANIAM BARRY ANDERSON BELINDA GWILLIM BEN BREARLEY BEN MCLENNAN BEN WILLIAMS BENEDIKT SIEBER BERNARD NEATE BEV HOLDSWORTH BILL TE HUIA BJORN COWDREY BOB SAHAT BONNIE MCBEATH BRENDON CLEMETT BRENDON CULLEN BRENDON WILSON BRENTON O'RILEY BRIDGET EVANS BRIDGET WRIGHT BRONWYN EDGAR BRUCE RUMBLE BRUNO CAETANO SANTOS CADE NORTON CAITLIN BRUTTIG CAITLIN CUMMINS CAMERON MARIU CAMILLE GEMMELL CANDACE VANDEMARK CANDACE MCKENNEY CAREN BERRY CARLOS PATINO-CASTANO CARLOS DE LA BARRA CAROL VAN'T VELD CAROLINE CHARRON CAROLINE CAREFOOT CAROLYN IRWIN CAROLYN IRWIN CATHERINE BARNYT CECILE LAMBERT CHELSEA CLARKE CHRIS PLICHTA CHRIS DE PACO CHRISTIAN O'MALLEY CHRISTINE DAY CHRISTINE COLGATE CHRISTINE PRICE CLAIR HILL CLAIRE JANIEC CLAIRE SUSSMILCH CLARA KANN COLE HIGGISON COLIN HILL CORBIN MOORE CRAIG CAMPBELL CRAIG MCCUTCHEON CRAIG SPICER CRYSTAL CUMMINS DALE MCDONALD DAN CRAWFORD DAN MARSHALL DANICA MOJSOVA DANIEL RICHARDS DANIEL STROMMER DANIEL VALENZUELA SANCHEZ DANNY TAYLOR DARREN JORGENSEN DARYL PREFONTAINE DAVID COX DAVID KELLY DAVID ROTHWELL DAVID KLAHN DAVID OSCROFT DAVID NOON DAVID POPE DAVID CLEGHORN DEAN HASKELL DEBRA MAASDORP DECLAN DONNELLY DEEPTI RODRIGUES DENHOLM KAY DENNISE BAAS DESISLAVA YANKOVA DEV DUTT DHAN SWAMY DIANA AUGUSTE DIETER SCHLOBOHM DIGBY DOWDING ELAINE PARR ELIAS VILLAVER ELISHA MILMINE EMI KONAKA EMMA ELLIOTT EMMA CLAPPERTON EMMETT ANDERSEN ERIC WINKS ERIK HERBERT ERIN WOOD ERIN BROWNE ERIN MCGRAIL ESME HOLDSWORTH ESTEBAN DUKE OSSANDON EVA KRISTOF EVATT BOURNE EVONE THIAN FA'ALINGI TUPOU FABIAN HANSEN FATIMA LOPEZ FI O'BOYLE FILIPA DE SA FIONA BARBER FLO BOUDA FLORIAN MASSON FRANCESCA PURCELL FRANCIS HAKARAIA FRANCISCO VOEGELIN FRANCOIS VILJOEN FRANK VUJNOVICH FRANZI GRAB GABRIEL KOEPFER GARY HAMMOND GEMMA ONSLOW GEMMA COATES GEMMA DOWNS-WOOLLEY GIELIE JORDAAN GILLIAN WHITTAKER GLEN FALKENHAUG GRAEME LORD GRAEME RODGER GRAHAM SHARMAN GREG BOWATER GREG WAINE GREG PARSONS GREG JOHNSON GUS ALTSCHWAGER HADYN KIM HANNAH JOHNSON HANNAH BREHAUT HANNAH CLOUGH HARRY BRODY HAYDEN GAUDIN HEATH DUNCAN HELENA BROZOVA HELENE BLACKBURN HENRY CURRIE IAIN MACDONALD IAN PLOWMAN IAN LYALL ISAAC BULL ISHAI DOITCH ISHWAN NARAYAN IVAN NELSON JACQUELINE BALK JACQUI IVICEVICH JADE PEREZ JADE PEDERSEN JADE ZELLMAN JAIMEE WHITEHEAD JAMES RANDALL JAMES KERR JAMES MARSHALL JAMES WILDING JAMES BRYDON JAMES STRUTHERS JAMIE BEER JAMIE MATTHEWS JAN GIBSON JANE FREEMAN JANICE MCKINNON JASON LUCAS JASON HANDS JASON NGAMATA JASON DENNEY JAY FOSTER JEAN-BAPTISTE BONNIGAL JEAN-FRANCOIS LABBE JEFF CAIRNEY JEFF WASHBURN JENNIFER LEWIS JENNIFER BISAILLON JENNY DOWNING JEREMY LOPEZ JEREMY YAN JESS DERKSEN JESSICA RAPPAPORT JESSICA RUTTER JESSICA ROUGEAU JILL MADER JILL DAWSON JIM DELEGAT JIM JONES JO LOZICA JODIE RAKE JODIE BROWN JOHANNA DAILEY JOHANNES VAN DEN IERSSEL JOHN MCCLELLAND JOHN FREEMAN JOHN MAASLAND JOHN MILLS JOHN NELSON JOHN BROWNLEE JOHNNY MILMINE JOHNNY ALIMIN JONAS STEEN JONATHON ROBERTSON-TIUETI JOSHUA DOW JOSHUA HAMMOND JUDD MITCHELL JUDY NEILL JULIAN DOWNS JULIANA PERSON JUNIOR WILLIAMS JURAJ ORGON JUSTIN ROBERTS JUSTIN WANG KAELA ALLISON KAHN JOWSEY KARA WAY-TREMAIN KATE SMITH KATHERINE JACKSON KATIE PARISH KELLY BARRENGER KEN BAKER KENDRA CUNNINGHAM KENT MARAMA KERRY THWING KIERAN SCOTT KIM WILKINSON KIM THOMPSON KIMBRA BIDEJOWSKI KORI MURPHY KRISTIN O'HEIR KRYSTLE BARRERA KURT WARD LARRY MILTKO LAURA MCEWEN LAURA WILDE LAURA PIANO LAURA HALLINAN LAWRENCE MAIORANA LAWRENCE THOMPSON LEANNE VAILE LEE ZAPPARA LEE WINSTON LEONARDO RICARDEZ MARTINEZ LESLIE GOLDEN LI SHEN LINLIN YANG LISA MURPHY LISA KEATING LIZ TURIA LIZ TIMOTI LOFI MEAOLA LOREN ANDREWS LORI WHITELAW LOUISE STEWART LUCAN HILHORST LUCY MCALLEY LUCY HINDSON LUCY NICOLL LUKE TAYLOR LYDIA MCCARTHY LYDIA LAWTON LYDIE BLANPIED MAC COLLIS MADELEINE HO MAJA MASLEK MALCOLM CAMPBELL MALETINO LOKENI MANUELE PERETTI MARCY SCOTT MARGIE MILLS MARIA PAVLOVICH MARK NOBLE MARK PAYNE MARK POYNTER MARK HORSNELL MARK JAMIESON MARTIN HERVOIR MATT BOSWELL MATT GLENDINING MATTHEW BLACKFORD MATTHEW WYER MATTHEW POPE MATTHEW DEACON MATTHEW STEPHENSON MAURA MCCUE MAWGANNE EDWARDS MAXIME ESCANDE MAYA FELZENSTEIN MELISSA CABRAL-HALE MELISSA KONEMANN MELISSA EARLE MELISSA COOPER MEREDITH STITES MICHAEL IVICEVICH MICHAEL EVANS MICHAEL FRATER MICHAEL LAMB MICHAEL DESSOULAVY MICHAEL MANCHEN MICHELLE LU MISLAV MARSIC MONICA QUINONEZ MURRAY ANNABELL MURRAY SNOWLING NATALIE MILICH NATALIE DALZELL NATASHA VELTMAN NATHALY BULGIN NAZMA ALI NEIL ANDERSON NEIL MARTIN NGAUPOKO TAPOKI NICHOLAS COWDREY NICK WRIGHT NICK OTTO NICK MILNE NICK KERRY NICOLA VINTEN NICOLAS COMPTON NICOLAS MERTZ NICOLE DOOLAN NICOLE TOMSETT NICOLE ANFANG NIKOLAY ANDREEV NILI AH SAM NOEMIE MEYER OLIVIA PRESTON OWEN GRAY PATRICIA OLD PATRICK TOOMEY PATRICK CONBOY PAUL DADD PAUL VAN MOORSEL PAUL BARBER PAUL COOPER PAUL THOMSON PAUL JONES PAUL DEVEREAUX PAULINE CHARRIN PETAR MILEV PETER SEMMLER PETER WILLIAMSON PETER DUNCAN PETER EDGAR PETRA MIMICA PETRU FURTUNA PHIL DOYLE PHILIPPA DOVE PHILLIP BEST PIERRE CROZAT QUINN JACKSON RACHEL HEBBARD RACHEL TEXIERA RAMON TAYLOR RANA KHAN RANYI CHUNG RAY CORTES RAYMOND NOREAU REBECCA WADDELL REMI GRANON RENEE SCHOFIELD RENEE CLOHESY RHYS STAPLES RICHARD BULLOCK RICHELLE COLLIER RICK IWIKAU RIKI MADEN ROB MARTYN ROB QUINTER ROBERT PAPA ROBERT TROUGHT ROBERT MAST ROBERT WILTON ROBYN REIHANA ROBYN GROFFEN ROBYN KERR ROGER GRAY ROSA HSU ROSE DELEGAT ROSEMARY KNOBLOCH ROSS HURT RUSSELL MALONE RUTH HOLDEN RYAN SUNDEL RYAN BLACK SALEEM LATIF SAM WILSON SAM MOWAT SAMARTH GEORGE SAMUEL BRONDEL SANDRA SHEAHAN SANDRA KRSTEVSKA SANDY MOWAT SARA EIZAGUIRRE PALACIOS SARAH BROSNAHAN SARAH ROBB SARAH KNIGHT SARAH FRANKS SARAH SOUTHWELL SARAH BECK SARAH LITHGOW SCOTT OSBORNE SCOTT RANDALL SCOTT HUNNICUTT SEAN SCOFFIELD SEAN BOURKE SEAN MURPHY SENIA SAMOATA SERGIO FLORES SHALOE LAMMAS SHANE BRUNING SHANE MIDDLEMISS SHANE HASTINGS SHARI MERRITT SHARON MORITZ SHELLEY YOUNG SHERISE VARGA SHERRIDAN WALTERS SILIO LUI SILVIA ESPINOSA JARA SIMON TRELOAR SIMON WARRY SIOBHAN KENNY SOFIA YEE SOLOMONE PIUTAU SONIA GARCIA-MUNOZ SOPHIE TEA STACEY BOYER STACY JENSEN STEPHANIE DILEO STEVE RAYNER STEVE SMITH STEVEN LOUCH STEVEN FOSTER STEVEN WYNGARD STUART MCLAGAN STUART BROWN SUE ARNOLD SUSAN POWER SUSINI PACKER SYDNEY GRANGER TARSHA WILLIAMS TERESA BREDHAUER TESS DEACON THOMAS WINDHOLZ TIANA SHEPHERD TIM SNOWDEN TIM BEAVER TINA HUTCHINSON TOM FOTHERINGHAM TOMISLAV VESELJAK TONG ZHOU TORE MARGIOTTA TORNIKE CHAKHVADZE TRACEY BYRON TRENT DAVIES TREVOR FULTON TUFI SELE VALERIE FERRE VASIL TSKIPHURISHVILI VIC CALA VICTORIA PECOVER VIRGINIA MUI VIVIEN WADSWORTH VLADIMIR DRAGOMIR WENDY BEVINS WILHELMUS AVEAU WILLIAM MASSIE WILLIAM WILSON WILLIAM CREMIN WILSON ALLEY ZAC CHILDERS ZIHONG ZHANG ZOE LAWSON ZURAB OKROPIRIDZE