

# **Tanunda Hill Vineyard Limited and Controlled Entity**

**ABN 22 093 941 256**

**Consolidated Financial Statements**

**For the Year Ended 30 June 2022**

# Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

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For the Year Ended 30 June 2022

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# Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

## Directors' Report

30 June 2022

The directors present their report on the Company and its controlled entity (collectively referred to as "Group") for the financial year ended 30 June 2022.

### 1. General information

#### Directors

The names of the directors in office at any time during or since the end of the year are:

Paul J Bodimeade

Geoffrey Catt

Neil MacKenzie

Craig Thomas

All directors were in office from the start of the reporting period to the date of this report.

#### Principal activities

The principal activities of the Group during the financial year were to make bulk and bottled wine for sale to external customers via its wholly owned subsidiary, The Wine Sellar.

### 2. Operating results and review of operations for the year

#### Operating results

The profit of the Group from ordinary activities after providing for income tax amounted to \$ 179,485 (2021: \$ 302,965).

#### Dividends paid or recommended

A fully franked dividend of \$128,927 was paid during the year.

#### Review of operations

Following the sale of the Tanunda Hill vineyard in June 2019, The Wine Sellar is the most significant asset.

The Wine Sellar

The Wine Sellar continued to perform well throughout the year, despite increasingly difficult trading conditions due to a significant oversupply of bulk wine in the wine industry caused by a record national 2021 crop, and the China tariff situation.

Our bottled sales for 2022 were up 22% to a record \$6,368,399 (2021: \$5,184,026). The growth in bottled sales came from domestic customers, principally in private label wines under contract, with export sales falling by 7% to \$509,000 due to transport and logistics issues. Profit before tax fell by \$97,766 but the prior year included \$137,000 in Government pandemic stimulus payments.

Given the oversupply issues facing the wine industry, we can take advantage of this situation and have accordingly reduced our 2022 grape crush to 224 tonnes down from 1,252 tonnes in the prior year. This strategy has positive cashflow implications and means we can follow the market pricing.

#### Financial review

The net assets of the Group have increased by \$ 50,558 from \$5,561,048 in 2021 to \$ 5,611,606 in 2022.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Directors' Report

30 June 2022

### 3. Director Information

#### Information on directors

Paul J Bodimeade

Age 65

Position

Chairman

Experience

Paul Bodimeade is a Brisbane based Financial Services Specialist with a number of clients represented in the Company. He is a Chartered Accountant with 22 years experience as a partner with Deloitte Touche Tohmatsu and is now the Chairman of MGD Wealth Limited.

Geoffrey Catt

Age 73

Qualifications

FPA Fellow, CFP

Position

Non-executive Director

Experience

Geoff Catt was an Adelaide based Certified Financial Planner with a number of clients represented in this Company. Recently retired, he has been a face to face financial planner since 1981.

Neil MacKenzie

Age 67

Qualifications

BA(Hons), FCA

Position

Executive Director

Experience

Neil is a qualified Chartered Accountant with an honours degree in Business Studies. He has over 28 years' experience in the Australian wine industry, having held senior positions with Orlando Wyndham Group (Finance Director), Simeon Wines (Managing Director) and McGuigan Wines (now Australian Vintage) as Commercial Director.

Craig Thomas

Age 54

Qualifications

B.Ec, CA

Position

Executive Director

Experience

Craig is a Chartered Accountant, specialising in the wine industry. He was previously Chief Financial Officer and Company Secretary of Normans Wines Limited and Export Manager of Australian Vintage Limited. Craig is responsible for sales, marketing and finance.

#### Meetings of directors

During the financial year, 4 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Directors' Meetings	
Number eligible to attend	Number attended
Paul J Bodimeade	4
Geoffrey Catt	4
Neil MacKenzie	4
Craig Thomas	4

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Directors' Report

30 June 2022

### 4. Other items

#### Significant changes in state of affairs

Refer to the *Review of Operations* paragraph above.

#### Future developments and results

Refer to the *Review of Operations* paragraph above.

#### Environmental Issues

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory.

#### Post Balance Date Event

There have been no matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

#### Indemnifying Officers or Auditors

During or since the end of the financial year the company has given an indemnity or entered into an agreement to indemnify or paid or agreed to pay insurance premiums as follows:

- The company under its Constitution agrees to indemnify every director and officer of the company against liability incurred as a director to the extent permitted by the *Corporations Act 2001*;
- The company has also agreed to indemnify every director, secretary, auditor and officer of the company against liability incurred in defending any legal proceedings.

#### Options

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

#### Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

**Tanunda Hill Vineyard Limited and Controlled Entity**

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**Directors' Report**

**30 June 2022**

**4. Other Items (continued)**

**Auditor's independence declaration**

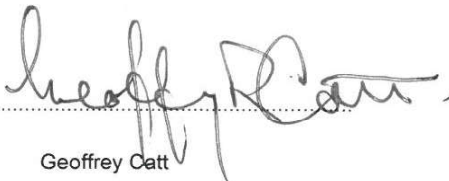
The auditor's independence declaration is set out on page 5 and forms part of the directors' report for the year ended 30 June 2022.

**Non-audit services**

During the year, Perks Audit Pty Ltd, the company's auditor, did not perform other services in addition to their statutory audit duties.

Signed in accordance with a resolution of the Board of Directors:

Director: .....  
  
Craig S Thomas

Director: .....  
  
Geoffrey Catt

Dated this <sup>20<sup>th</sup></sup> day of September 2022

## Tanunda Hill Vineyard Limited and Controlled Entity

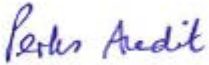
ABN 22 093 941 256

### Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Tanunda Hill Vineyard Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Tanunda Hill Vineyard Limited.

As lead audit partner for the audit of the financial statements of Tanunda Hill Vineyard Limited I declare that, to the best of my knowledge and belief, during the year ended 30 June 2022, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



Perks Audit Pty Ltd  
8/81 Flinders St  
Adelaide SA 5000



Peter J Hill  
Director  
Registered Company Auditor

Dated this 20th day of September 2022

## Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

### Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
Revenue	4	<b>6,832,284</b>	6,038,113	<b>2,778,680</b>	3,381,277
Finance income	5	<b>749</b>	8,967	<b>274</b>	8,967
Cost of goods sold		<b>(5,232,818)</b>	(4,204,213)	<b>(2,594,880)</b>	(3,057,671)
Other expenses		<b>(762,076)</b>	(870,297)	<b>(158,119)</b>	(204,117)
Employee benefits expense	6	<b>(477,050)</b>	(509,574)	-	-
Directors fees expense	6	<b>(96,000)</b>	(98,000)	<b>(96,000)</b>	(98,000)
Finance expenses	5	<b>(17,171)</b>	(6,112)	<b>(921)</b>	(2,695)
Depreciation, amortisation and impairments	6	-	(13,200)	-	(10,597)
<b>Profit/(loss) before income tax</b>		<b>247,918</b>	345,684	<b>(70,966)</b>	17,164
Income tax (expense) / benefit	8(a)	<b>(68,433)</b>	(42,719)	<b>15,647</b>	56,109
<b>Profit/(loss) for the year after income tax</b>		<b>179,485</b>	302,965	<b>(55,319)</b>	73,273
Other comprehensive income		-	-	-	-
<b>Total comprehensive income/(loss) for the year attributable to members</b>		<b>179,485</b>	302,965	<b>(55,319)</b>	73,273
Earnings Per Share:					
Basic earnings per share (dollars per share)		<b>0.03</b>	0.06	<b>(0.01)</b>	0.01

The accompanying notes form part of these financial statements.



# Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

## Consolidated Statement of Financial Position

As At 30 June 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>ASSETS</b>					
CURRENT ASSETS					
Cash and cash equivalents	9	<b>1,727,456</b>	1,101,312	<b>1,357,416</b>	962,529
Inventories	10	<b>2,976,348</b>	3,948,438	<b>591,965</b>	1,476,286
Trade and other receivables	11	<b>1,148,989</b>	1,290,008	<b>1,714,897</b>	1,692,677
Other assets	12	-	11,153	-	-
<b>TOTAL CURRENT ASSETS</b>		<b>5,852,793</b>	6,350,911	<b>3,664,278</b>	4,131,492
NON-CURRENT ASSETS					
Financial assets	13	-	-	<b>1,500,000</b>	1,500,000
Goodwill through business combination		<b>1,256,101</b>	1,256,101	-	-
Intangible asset - Trade mark		<b>185,000</b>	185,000	-	-
Deferred tax assets	16	<b>76,839</b>	78,528	<b>29,688</b>	34,040
Property, plant and equipment	14	-	-	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,517,940</b>	1,519,629	<b>1,529,688</b>	1,534,040
<b>TOTAL ASSETS</b>		<b>7,370,733</b>	7,870,540	<b>5,193,966</b>	5,665,532
<b>LIABILITIES</b>					
CURRENT LIABILITIES					
Trade and other payables	15	<b>1,585,184</b>	2,086,187	<b>218,109</b>	438,003
Current tax liabilities	16	<b>18,565</b>	94,027	<b>18,565</b>	94,027
Employee benefits	17	<b>155,378</b>	129,278	<b>111,736</b>	103,700
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,759,127</b>	2,309,492	<b>348,410</b>	635,730
<b>TOTAL LIABILITIES</b>		<b>1,759,127</b>	2,309,492	<b>348,410</b>	635,730
<b>NET ASSETS</b>		<b>5,611,606</b>	5,561,048	<b>4,845,556</b>	5,029,802
<b>EQUITY</b>					
Issued capital	18	<b>5,021,639</b>	5,021,639	<b>5,021,639</b>	5,021,639
Retained earnings/(accumulated losses)	18	<b>589,967</b>	539,409	<b>(176,083)</b>	8,163
<b>TOTAL EQUITY</b>		<b>5,611,606</b>	5,561,048	<b>4,845,556</b>	5,029,802

The accompanying notes form part of these financial statements.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Consolidated Statement of Changes in Equity For the Year Ended 30 June 2022

		Consolidated Entity		
2022		Ordinary Shares	Consolidated Retained Earnings	Total
Note		\$	\$	\$
	<b>Balance at 1 July 2021</b>	<b>5,021,639</b>	<b>539,409</b>	<b>5,561,048</b>
	<b>Comprehensive income for the year</b>			
	Net profit for the year	-	179,485	179,485
	<b>Total comprehensive income for the year</b>	<b>-</b>	<b>179,485</b>	<b>179,485</b>
	<b>Transactions with owners in their capacity as owners</b>			
	Dividends provided for or paid	-	(128,927)	(128,927)
	<b>Total transactions with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Balance at 30 June 2022</b>	<b>5,021,639</b>	<b>589,967</b>	<b>5,611,606</b>
2021				
	<b>Balance at 1 July 2020</b>	<b>7,600,167</b>	<b>236,444</b>	<b>7,836,611</b>
	<b>Comprehensive income for the year</b>			
	Net profit for the year	-	302,965	302,965
	<b>Total comprehensive income for the year</b>	<b>-</b>	<b>302,965</b>	<b>302,965</b>
	<b>Transactions with owners in their capacity as owners</b>			
	Capital return - 50 cents per share	(2,578,528)	-	(2,578,528)
	<b>Total transactions with owners in their capacity as owners</b>	<b>(2,578,528)</b>	<b>-</b>	<b>(2,578,528)</b>
	<b>Balance at 30 June 2021</b>	<b>5,021,639</b>	<b>539,409</b>	<b>5,561,048</b>

The accompanying notes form part of these financial statements.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Consolidated Statement of Changes in Equity For the Year Ended 30 June 2022

		Parent Entity		
		Ordinary Shares	Parent Retained Earnings / (Accumulated Losses)	Total
		\$	\$	\$
2022	Note			
<b>Balance at 1 July 2021</b>		5,021,639	8,163	5,029,802
<b>Comprehensive income for the year</b>				
Net (loss) for the year		-	(55,319)	(55,319)
<b>Total comprehensive income for the year</b>		-	(55,319)	(55,319)
<b>Transactions with owners in their capacity as owners</b>				
Dividends provided for or paid	20	-	(128,927)	(128,927)
<b>Total transactions with owners in their capacity as owners</b>		-	-	-
<b>Balance at 30 June 2022</b>		<b>5,021,639</b>	<b>(176,083)</b>	<b>4,845,556</b>
2021	Note	Ordinary Shares	Parent Retained Earnings / (Accumulated Losses)	Total
		\$	\$	\$
<b>Balance at 1 July 2020</b>		7,600,167	(65,110)	7,535,057
<b>Comprehensive income for the year</b>				
Net profit for the year		-	73,273	73,273
<b>Total comprehensive income for the year</b>		-	73,273	73,273
<b>Transactions with owners in their capacity as owners</b>				
Capital return - 50 cents per share	18	(2,578,528)	-	(2,578,528)
<b>Total transactions with owners in their capacity as owners</b>		(2,578,528)	-	(2,578,528)
<b>Balance at 30 June 2021</b>		<b>5,021,639</b>	<b>8,163</b>	<b>5,029,802</b>

The accompanying notes form part of these financial statements.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Consolidated Statement of Cash Flows For the Year Ended 30 June 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Receipts from customers		7,653,120	6,181,179	3,034,328	2,874,395
Payments to suppliers and employees		(6,739,421)	(7,060,024)	(2,454,404)	(3,800,167)
Interest received		749	8,967	274	8,967
Finance costs		(17,171)	(6,112)	(921)	(2,695)
Income taxes paid		(142,206)	(18,101)	(55,463)	74,539
Net cash provided by/(used in) operating activities	25	<u>755,071</u>	<u>(894,091)</u>	<u>523,814</u>	<u>(844,961)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Acquisition of trademark		-	(185,000)	-	-
Net cash (used in) investing activities		<u>-</u>	<u>(185,000)</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>					
Capital return		-	(2,578,528)	-	(2,578,528)
Dividends paid		(128,927)	-	(128,927)	-
Net cash (used in) financing activities		<u>(128,927)</u>	<u>(2,578,528)</u>	<u>(128,927)</u>	<u>(2,578,528)</u>
Net increase/(decrease) in cash and cash equivalents held		626,144	(3,657,619)	394,887	(3,423,489)
Cash and cash equivalents at beginning of year		<u>1,101,312</u>	<u>4,758,931</u>	<u>962,529</u>	<u>4,386,018</u>
Cash and cash equivalents at end of financial year	9	<u>1,727,456</u>	<u>1,101,312</u>	<u>1,357,416</u>	<u>962,529</u>

The accompanying notes form part of these financial statements.

# Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

The consolidated financial report covers Tanunda Hill Vineyard Limited ("the Company") and its controlled entity (the Group'). Tanunda Hill Vineyard Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

The controlled entity in the Group prepares its financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 20 September 2022.

Comparatives are consistent with prior years, unless otherwise stated.

#### 1 Basis of Preparation

Tanunda Hill Vineyard Limited and its controlled entity ("the Group") is a for profit reporting entity. The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the *Corporations Act 2001*. The financial report also complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The following is a summary of the material accounting policies adopted by the Group in the preparation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

#### 2 Summary of Significant Accounting Policies

##### (a) Basis for consolidation

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. The controlled entity has a June financial year end.

The consolidated financial statements incorporate all assets, liabilities and results of the parent and its subsidiary. Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The only controlled entity for the purposes of these financial statements is The Wine Seller Pty Ltd.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by Tanunda Hill Vineyard Limited. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains and losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made were necessary to ensure uniformity of the accounting policies adopted by the Group.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (b) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity then it is not remeasured and the settlement is accounted for within equity. Otherwise subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

#### (c) Revenue and other income

##### Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable.

No revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies**

##### **(c) Revenue and Other Income**

###### **Other income**

Other income is recognised on an accruals basis when the Group is entitled to it.

All revenue is stated net of the amount of goods and services tax (GST).

##### **(d) Income Tax**

The tax expense recognised in the consolidated statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- The initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

# Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (d) Income Tax

##### Tax consolidation

The Company and its wholly owned Australian resident entity have formed a tax-consolidated Group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is Tanunda Hill Vineyard Limited. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax consolidated Group are recognised in the separate financial statements of the members of the tax consolidated Group using the "separate taxpayer within a group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax consolidated Group are recognised by the Company (as head entity of the tax-consolidated Group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the company and each member of the Group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax-consolidated Group in accordance with the arrangement.

#### (e) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

#### (f) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

##### Furniture, plant and equipment

Plant and equipment are measured using the cost model less depreciation and impairment losses. The carrying amount of furniture, plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

##### Depreciation

Property, plant and equipment is depreciated on a straight-line basis over the assets useful life to the Group, commencing when the asset is ready for use.

#### (g) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).



## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies**

##### **(g) Financial instruments**

###### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

###### *Classification*

On initial recognition, the Group classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

###### *Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets measured at amortised cost comprise trade and other receivables in the consolidated statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

# Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### *Fair value through other comprehensive income*

##### Equity instruments

All equity instruments of the Group are measured at fair value under AASB 9 whereas there was a cost exception under AASB 139 which allowed certain unlisted investments to be carried at amortised cost in the absence of a reliable measurement of fair value.

At initial recognition, as long as the equity instrument is not held for trading or not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: *Business Combinations* applies, the Group may make an irrevocable election to measure any subsequent changes in fair value of the equity instrument in other comprehensive income, while the dividend revenue received on an underlying equity instruments investment will still be recognised in profit or loss.

##### *Financial assets through profit or loss*

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **2 Summary of Significant Accounting Policies**

##### **(g) Financial instruments**

The Group uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Group uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Group in full, without recourse to the Group to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Group in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

##### *Trade receivables*

Impairment of trade receivables has been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Group has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Group renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

##### *Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (g) Financial instruments

##### Financial liabilities

The Group measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Group comprise trade payables.

Financial liabilities are subsequently measured at:

- Amortised cost; or
- Fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- A contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- Held for trading; or
- Initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability; that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- It is incurred for the purpose of repurchasing or repaying in the short term;
- Part of a portfolio where there is an actual pattern of short term profit taking; or
- A derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

A financial liability cannot be reclassified.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 2 Summary of Significant Accounting Policies

#### (h) Impairment of non-financial assets

At the end of each reporting period the Group determines whether there is an evidence of an impairment indicator for non-financial assets.

Where an indicator exists, and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

#### (i) Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits.

#### (j) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (k) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost of inventory is determined using the first-in-first-out basis and is net of any rebates and discounts received. Net realisable value is estimated using the most reliable evidence available at the reporting date and inventory is written down through an obsolescence provision if necessary.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 3 Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these consolidated financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

#### **Key judgments - taxes**

##### *Deferred tax assets*

Determining income tax provisions involves judgment on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgments as to the probability of future taxable revenues being generated against which tax losses will be available for offset based on budgets, current and future expected economic conditions.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 4 Revenue and Other Income

Revenue from continuing operations

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Revenue from contracts with customers				
- wine sales income	<b>6,621,006</b>	5,489,143	<b>2,651,419</b>	3,093,303
Revenue from other sources				
- other income	<b>211,278</b>	548,970	<b>127,261</b>	287,974
<b>Total Revenue</b>	<b>6,832,284</b>	6,038,113	<b>2,778,680</b>	3,381,277

### 5 Finance Income and Expenses

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Finance income				
- interest income	<b>749</b>	8,967	<b>274</b>	8,967
<b>Total finance income</b>	<b>749</b>	8,967	<b>274</b>	8,967
Finance expenses				
- interest expense	<b>17,171</b>	6,112	<b>921</b>	2,695
<b>Total finance expenses</b>	<b>17,171</b>	6,112	<b>921</b>	2,695

### 6 Result for the Year

The result for the year includes the following specific expenses:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Other expenses:				
Directors fees expense	<b>96,000</b>	98,000	<b>96,000</b>	98,000
Employee benefits expense	<b>477,050</b>	509,574	-	-
Depreciation expense	-	13,200	-	10,597

### 7 Auditors' Remuneration

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Remuneration of auditor Perks Audit Pty Ltd for:				
- auditing or reviewing the financial statements	<b>32,000</b>	32,000	<b>22,500</b>	22,500
<b>Total</b>	<b>32,000</b>	32,000	<b>22,500</b>	22,500

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 8 Income Tax Expense

(a) The major components of tax expense (income) comprise:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Current tax expense				
Current income tax expense	66,744	94,029	-	1,388
Deferred tax expense (benefit)				
- Origination and reversal of temporary differences	(18,310)	(14,470)	(15,647)	(4,656)
- Recognition of previously unrecognised tax losses	19,999	-	-	-
(Over)/under provision in respect of prior years	-	(36,840)	-	(52,841)
<b>Total income tax expense</b>	<b>68,433</b>	<b>42,719</b>	<b>(15,647)</b>	<b>(56,109)</b>

(b) Reconciliation of income tax to accounting profit:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Operating profit / (loss) for the year	247,918	345,684	(70,966)	17,164
Prima facie income tax on profit / (loss) from ordinary activities before income tax at 25% (2021: 26%)	61,980	89,878	(17,742)	4,463
Add:				
Tax effect of:				
- under/(over) provision for income tax in prior year	-	(36,840)	-	(52,841)
- non-deductible expenses	3,434	3,024	786	942
	65,414	56,062	(16,956)	(47,436)
Less:				
Tax effect of:				
- Cash Flow Boost	-	16,839	-	10,276
- change in tax rate	23,018	3,496	1,309	1,603
- tax losses deducted	(19,999)	-	-	-
Income tax expense / (benefit)	68,433	42,719	(15,647)	(56,109)



# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 9 Cash and Cash Equivalents

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash at bank	1,727,456	1,101,312	1,357,416	962,529
<b>Total cash and cash equivalents</b>	<b>1,727,456</b>	<b>1,101,312</b>	<b>1,357,416</b>	<b>962,529</b>

### Reconciliation of cash

Cash and cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Cash and cash equivalents	1,727,456	1,101,312	1,357,416	962,529

### 10 Inventories

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CURRENT				
At cost:				
Bulk and bottled wine	2,976,348	3,957,527	591,965	1,485,375
Provision for Stock Obsolescence	-	(9,089)	-	(9,089)
<b>Total inventories</b>	<b>2,976,348</b>	<b>3,948,438</b>	<b>591,965</b>	<b>1,476,286</b>

Write downs of inventories to net realisable value during the year were \$ 29,484 (2021: \$ 98,999).

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 11 Trade and Other Receivables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CURRENT				
Trade receivables	881,828	927,030	7,875	36,864
Provision for doubtful debts	(7,091)	(7,091)	-	-
<b>Total trade receivables</b>	<b>874,737</b>	<b>919,939</b>	<b>7,875</b>	<b>36,864</b>
Receivable - The Wine Sellar Pty Ltd	-	-	1,304,346	1,189,859
Other receivables	274,252	370,069	402,676	465,954
<b>Total trade and other receivables</b>	<b>1,148,989</b>	<b>1,290,008</b>	<b>1,714,897</b>	<b>1,692,677</b>

Reconciliation of changes in the provision for impairment of receivables is as follows:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Balance at beginning of the year	7,091	7,091	-	-
<b>Balance at end of the year</b>	<b>7,091</b>	<b>7,091</b>	<b>-</b>	<b>-</b>

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

The Group has recognised a loss allowance of 20.00% (2021: 1.10%) against all receivables greater than 90 days because historical experience has indicated that these receivables are generally not recoverable.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings or when the trade receivables are over one year past due, whichever occurs first.

### 12 Other Assets

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CURRENT				
Prepayments	-	11,153	-	-
<b>Total other assets</b>	<b>-</b>	<b>11,153</b>	<b>-</b>	<b>-</b>

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements

For the Year Ended 30 June 2022

### 13 Other Financial Assets

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Investment in The Wine Sellar Pty Ltd	-	-	1,500,000	1,500,000
<b>Total financial assets</b>	<b>-</b>	<b>-</b>	<b>1,500,000</b>	<b>1,500,000</b>

The purchase consideration has been recognised at fair value in line with the significant accounting policies in Note 1 to the consolidated financial statements.

As at 30 June 2022, the Directors of the Company can see no foreseeable reason as to why the carrying value of the asset in the The Wine Sellar, or the resultant goodwill on the purchase, would require impairment in the consolidated financial statements, given operating results to 30 June 2022. The Wine Sellar has been consolidated 100% at 30 June 2022.

### 14 Property, plant and equipment

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
FURNITURE & EQUIPMENT				
At cost	24,578	24,578	21,290	21,290
Accumulated depreciation	(24,578)	(24,578)	(21,290)	(21,290)
<b>Total property, plant and equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 15 Trade and Other Payables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
CURRENT				
Trade payables	897,191	1,356,801	41,022	285,492
GST payable	196,707	151,086	134,556	54,272
Sundry creditors and accrued expenses	491,286	578,300	42,531	98,239
<b>Total trade and other payables</b>	<b>1,585,184</b>	<b>2,086,187</b>	<b>218,109</b>	<b>438,003</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

# Tanunda Hill Vineyard Limited and Controlled Entity

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 16 Tax assets and liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Income tax payable	18,565	94,027	18,565	94,027
<b>Current tax liabilities</b>	<b>18,565</b>	<b>94,027</b>	<b>18,565</b>	<b>94,027</b>

#### (a) Deferred Tax Assets

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Consolidated</b>			
<b>Deferred tax asset</b>			
Other	64,058	14,470	78,528
<b>Balance at 30 June 2021</b>	<b>64,058</b>	<b>14,470</b>	<b>78,528</b>
Other	78,528	(1,689)	76,839
<b>Balance at 30 June 2022</b>	<b>78,528</b>	<b>(1,689)</b>	<b>76,839</b>
	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Parent</b>			
<b>Deferred tax assets</b>			
Other	29,384	4,656	34,040
<b>Balance at 30 June 2021</b>	<b>29,384</b>	<b>4,656</b>	<b>34,040</b>
Other	34,040	(4,352)	29,688
<b>Balance at 30 June 2022</b>	<b>34,040</b>	<b>(4,352)</b>	<b>29,688</b>

### 17 Employee Benefits

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>CURRENT</b>				
Annual leave	66,749	59,464	51,212	51,089
Long service leave	88,629	69,814	60,524	52,611
<b>Total employee benefit liabilities</b>	<b>155,378</b>	<b>129,278</b>	<b>111,736</b>	<b>103,700</b>

## Tanunda Hill Vineyard Limited and Controlled Entity

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### Notes to the Financial Statements For the Year Ended 30 June 2022

#### 18 Issued Capital

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Fully paid ordinary shares - 3,606,288 shares @ \$1.00 each	<b>3,606,288</b>	3,606,288	<b>3,606,288</b>	3,606,288
Shares issued in 2015 - 652,080 shares @ \$3.00 each	<b>1,956,240</b>	1,956,240	<b>1,956,240</b>	1,956,240
Shares issued in 2016 - 298,688 shares @ \$1.80 each	<b>537,639</b>	537,639	<b>537,639</b>	537,639
Shares issued in 2019 - 600,000 shares @ \$2.50 each	<b>1,500,000</b>	1,500,000	<b>1,500,000</b>	1,500,000
Capital return 10 December 2020 - 5,157,056 shares @ \$0.50 each	<b>(2,578,528)</b>	(2,578,528)	<b>(2,578,528)</b>	(2,578,528)
<b>Total issued capital</b>	<b>5,021,639</b>	5,021,639	<b>5,021,639</b>	5,021,639

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote. The Company's constitution has not set any limit on the amount of capital it may raise.

The Company does not have authorised capital or par value in respect of its shares.

#### 19 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

##### Specific risks

- Liquidity risk
- Credit risk
- Market risk - currency risk, interest rate risk and price risk

##### Financial instruments used

The principal categories of financial instrument used by the Group are:

- Trade receivables
- Cash at bank
- Trade and other payables

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2022**

#### **19 Financial Risk Management (continued)**

##### **Objectives, policies and processes**

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as interest rate risk, liquidity risk and credit risk.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate risk and assessment of market forecasts for interest rate movements.

Mitigation strategies for specific risks faced are described below:

##### **Liquidity risk**

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period are identified when applicable.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates. The amounts disclosed in the table are the undiscounted contracted cash flows and therefore the balances in the table may not equal the balances in the consolidated statement of financial position due to the effect of discounting.

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 19 Financial Risk Management (continued)

##### Liquidity risk (continued)

Consolidated	Weighted average		Within 1 Year		Total	
	Interest rate		2022	2021	2022	2021
	2022	2021	2022	2021	2022	2021
	%	%	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Trade and other payables	-	-	1,588,596	2,086,187	1,588,596	2,086,187
	Weighted average		Within 1 Year		Total	
Parent	Interest rate		2022	2021	2022	2021
	2022	2021	2022	2021	2022	2021
	%	%	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>						
Trade and other payables	-	-	218,109	438,003	218,109	438,003

##### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group has immaterial exposure to interest rate, price and currency risk.

##### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

##### Trade receivables

Trade receivables consist of a concentrated number of customers with ongoing credit evaluation performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information and industry information. Credit limits are established for each customer and the utilisation of credit limits by customers is regularly monitored by line management. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

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## Notes to the Financial Statements For the Year Ended 30 June 2022

### 19 Financial Risk Management (continued)

#### Credit risk (continued)

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. On a geographical basis, the Group has no significant credit risk exposure in Australia.

The ageing analysis of receivables is as follows:

	Consolidated	
	2022	2021
	\$	\$
0-30 days	523,450	566,396
31-60 days	283,513	185,468
61-90 days (past due not impaired)	39,541	25,841
91+ days (past due not impaired)	28,233	142,234
91+ days (considered impaired)	7,091	7,091
	<b>881,828</b>	<b>927,030</b>

### 20 Dividends

a. The following dividends were declared and paid:

Final franked ordinary dividend of 2.5 (2021: nil) cents per share

#### Total

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
	128,927	-	128,927	-
<b>Total</b>	<b>128,927</b>	<b>-</b>	<b>128,927</b>	<b>-</b>

#### Franking credits account

The franking credits available for subsequent financial years at a tax rate of 25% (2021: 26%)

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
	456,406	400,560	394,881	339,035

The above available balance is based on the dividend franking account at year-end adjusted for:

- Franking credits that will arise from the payment of the current tax liabilities;
- Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.



# Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

## Notes to the Financial Statements

### For the Year Ended 30 June 2022

#### 21 Key Management Personnel Disclosures

The board's policy for determining the nature and amount of compensation of key management for the Group is as follows:

The compensation structure for key management personnel is based on a number of factors, including length of service, particular experience of the individual concerned, and overall performance of the Group. The contracts for service between the Group and key management personnel are on a continuing basis, the terms of which are not expected to change in the immediate future.

#### Key Management Personnel

Names and positions held of key management personnel in office at any time during the financial year are:

Key Management Personnel	Position
Paul J Bodimeade	Director
Geoffrey R Catt	Director
Neil R MacKenzie	Director
Craig S Thomas	Director

Key management personnel remuneration included within employee expenses for the year is shown below:

	2022	2021
	\$	\$
<b>Short-term benefits</b>		
<b>Cash, salary &amp; commissions</b>		
Geoffrey R Catt	18,000	18,000
Paul J Bodimeade	18,000	18,000
Neil R MacKenzie	60,000	62,000
Craig S Thomas	236,731	224,450
<b>Total remuneration paid to key management personnel</b>	<b>332,731</b>	<b>322,450</b>

#### (a) Key Management Personnel Shareholdings

The following directors at year end have interests in the following shares, either directly, indirectly, or beneficially:

Key Management Personnel	Balance at 30	Net Movement	Balance at 30
	June 2021		June 2022
	No.	No.	No.
Geoffrey R Catt	57,170	18,500	75,670
Paul J Bodimeade	80,181	36,096	116,277
Neil R MacKenzie	294,000	-	294,000
Craig S Thomas	294,000	-	294,000
<b>Total</b>	<b>725,351</b>	<b>54,596</b>	<b>779,947</b>

## Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

### Notes to the Financial Statements

For the Year Ended 30 June 2022

#### 22 Operating Segments

AASB 8 Operating Segments requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. The Group consists of one business segment being the viticulture industry of Australia.

#### 23 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2022 (30 June 2021: None).

#### 24 Contractual commitments

In the directors' opinion, there are no commitments at 30 June 2022 (30 June 2021: None).

#### 25 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$	\$	\$	\$
Profit/(loss) for the year	<b>179,485</b>	302,965	<b>(55,319)</b>	73,273
Cash flows excluded from profit/(loss) attributable to operating activities				
Non-cash flows in profit/(loss):				
- depreciation	-	13,200	-	10,597
- provision for doubtful debts	-	7,091	-	-
- write-off of stock	<b>29,484</b>	-	-	-
- provision for stock obsolescence	-	9,089	-	-
Changes in assets and liabilities:				
- decrease/(increase) in trade and other receivables	<b>137,608</b>	(405,845)	<b>(22,220)</b>	(816,211)
- decrease in prepayments	<b>11,152</b>	18,971	-	30,123
- decrease/(increase) in inventories	<b>942,605</b>	(1,321,538)	<b>884,321</b>	907
- (increase)/decrease in deferred tax asset	<b>1,689</b>	(14,470)	<b>4,352</b>	(4,655)
- (decrease)/increase in trade and other payables	<b>(497,591)</b>	438,104	<b>(219,894)</b>	(182,190)
- decrease/(increase) in income taxes payable	<b>(75,462)</b>	39,088	<b>(75,462)</b>	23,085
- increase in provisions	<b>26,101</b>	19,254	<b>8,036</b>	20,110
Cashflows from/(used in) operations	<b>755,071</b>	(894,091)	<b>523,814</b>	(844,961)

## **Tanunda Hill Vineyard Limited and Controlled Entity**

ABN 22 093 941 256

## **Notes to the Financial Statements**

**For the Year Ended 30 June 2022**

### **26 Events Occurring After the Reporting Date**

The consolidated financial report was authorised for issue on 20 September 2022 by the board of directors.

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### **27 Statutory Information**

The registered office and principal place of business of the company is:

Tanunda Hill Vineyard Limited  
175 Fullarton Road  
Dulwich SA 5065

## Tanunda Hill Vineyard Limited and Controlled Entity

ABN 22 093 941 256

### Directors' Declaration

The directors of the Company declare that:

1. The consolidated financial statements and notes, as set out on pages 6 to 33, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRSs); and
  - b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Company and consolidated group.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director ..... 

Director ..... 

Dated this <sup>20<sup>th</sup></sup> day of September 2022

## Tanunda Hill Vineyard Limited and Controlled Entity

# Independent Audit Report to the members of Tanunda Hill Vineyard Limited and Controlled Entity

### Opinion

We have audited the accompanying financial report of Tanunda Hill Vineyard Limited (the Company) and Controlled Entity (the Group), which comprises the consolidated statements of financial position as at 30 June 2022, the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion, the accompanying financial report of the Company and the Group is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Company and the Group's financial position as at 30 June 2022 and of their financial performances for the year ended; and
- (ii) complying with Australian Accounting Standards which, as stated in Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRSs), and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company and the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

## **Tanunda Hill Vineyard Limited and Controlled Entity**

# **Independent Audit Report to the members of Tanunda Hill Vineyard Limited and Controlled Entity**

### **Other Information**

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the Directors' report, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Directors for the Financial Report**

The directors of the Company are responsible for the preparation of a financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

## **Tanunda Hill Vineyard Limited and Controlled Entity**

# **Independent Audit Report to the members of Tanunda Hill Vineyard Limited and Controlled Entity**

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company or the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company or the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.

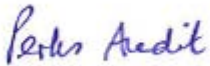
## Tanunda Hill Vineyard Limited and Controlled Entity

### Independent Audit Report to the members of Tanunda Hill Vineyard Limited and Controlled Entity

#### Auditor's Responsibilities for the Audit of the Financial Report (continued)

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Perks Audit Pty Ltd

8/81 Flinders St

Adelaide SA 5000



Peter J Hill

Director

Registered Company Auditor

Dated this 20th day of September 2022