

Treasury Wine Estates Denmark ApS

Sundkrogsgade 21
DK-2100 Copenhagen
CVR No. 31632250

Annual report 01.07.2019 - 30.06.2020

The Annual General Meeting adopted the
annual report on 04.12.2020

Line Pedersen

Chairman of the General Meeting

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Entity details

Entity

Treasury Wine Estates Denmark ApS
Sundkrogsgade 21
DK-2100 Copenhagen

CVR No.: 31632250
Registered office: Copenhagen
Financial year: 01.07.2019 - 30.06.2020

Executive Board

Kimmie Tronborg Sanderhoff
Emil Skov
Michelle Elizabeth Brampton

Auditors

KPMG Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
DK-2100 Copenhagen
CVR No.: 25578198

Statement by Management

The Executive Board has today considered and approved the annual report of Treasury Wine Estates Denmark ApS for the financial year 01.07.2019 - 30.06.2020.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 04.12.2020

Executive Board

Kimmie Tronborg Sanderhoff

Emil Skov

Michelle Elizabeth Brampton

Independent auditor's report

To the shareholders of Treasury Wine Estates Denmark ApS

Opinion

We have audited the financial statements of Treasury Wine Estates Denmark ApS for the financial year 01.07.2019 - 30.06.2020, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 30.06.2020 and of the results of its operations for the financial year 01.07.2019 - 30.06.2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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 statements 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

Statement on the management commentary

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

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

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 04.12.2020

KPMG Statsautoriseret Revisionspartnerselskab

CVR No. 25578198

Henrik Kyhnauv-Andersen

State Authorised Public Accountant

Identification No (MNE) mne40028

Management commentary

Primary activities

During the year, the Company became a buy-sell entity. Under its new business model, it purchased wine mainly from related parties and sold to customers, both external and related party. It also engaged with an external packaging and warehousing company for the local production of Bag-In-Box product which was mainly sold in the Danish and Nordics markets. The logistics and manufacturing operations are managed under third party logistics agreements with SkanVin and JF Hillebrand

Based on the activities carried out by the Company, it is considered appropriate for it to be remunerated for its activities with reference to a target operating margin based on a % of its total sales.

Development in activities and finances

The profit for the year amounts to DKK 1,219,166 against a profit last year of DKK 73,452. The management considers the result satisfying.

Events after the balance sheet date

In the first months of 2020, a pandemic of coronavirus disease 2019 (COVID-19) around the world, led to numerous cases and casualties and caused an economic instability. As the date of approval of these annual accounts, it is too early to assess the potential economic and financial impacts of the pandemic. The assessment currently performed is not leading to change or show any impact on these annual statements or disclosures presented here.

Besides from the above, no other material events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Income statement for 2019/20

	Notes	2019/20 DKK	2018/19 DKK
Gross profit/loss		1,558,407	1,219,942
Staff costs	1	(715,426)	(1,120,770)
Operating profit/loss		842,981	99,172
Other financial income		2,770,483	149
Other financial expenses		(2,025,556)	(926)
Profit/loss before tax		1,587,908	98,395
Tax on profit/loss for the year	2	(368,742)	(24,943)
Profit/loss for the year		1,219,166	73,452
Proposed distribution of profit and loss			
Retained earnings		1,219,166	73,452
Proposed distribution of profit and loss		1,219,166	73,452

Balance sheet at 30.06.2020

Assets

	Notes	2019/20 DKK	2018/19 DKK
Raw materials and consumables		0	8,036,769
Manufactured goods and goods for resale		26,268,050	1,570,341
Inventories		26,268,050	9,607,110
Trade receivables		17,088,479	0
Receivables from group enterprises		14,388,772	1,566,396
Other receivables		28,409	391,760
Receivables		31,505,660	1,958,156
Cash		36,370,003	0
Current assets		94,143,713	11,565,266
Assets		94,143,713	11,565,266

Equity and liabilities

	Notes	2019/20 DKK	2018/19 DKK
Contributed capital		125,000	125,000
Retained earnings		2,725,795	1,506,629
Equity		2,850,795	1,631,629
Other payables		29,755	0
Non-current liabilities other than provisions	3	29,755	0
Bank loans		53,307,322	4,989,781
Trade payables		9,363,192	1,089,388
Payables to group enterprises		25,569,934	3,295,457
Income tax payable		376,869	30,281
Other payables		2,645,846	528,730
Current liabilities other than provisions		91,263,163	9,933,637
Liabilities other than provisions		91,292,918	9,933,637
Equity and liabilities		94,143,713	11,565,266
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Statement of changes in equity for 2019/20

	Contributed capital DKK	Retained earnings DKK	Total DKK
Equity beginning of year	125,000	1,506,629	1,631,629
Profit/loss for the year	0	1,219,166	1,219,166
Equity end of year	125,000	2,725,795	2,850,795

Notes

1 Staff costs

	2019/20	2018/19
	DKK	DKK
Wages and salaries	618,293	1,002,483
Pension costs	105,167	102,714
Other social security costs	(8,034)	15,573
	715,426	1,120,770
Average number of full-time employees	1	1

2 Tax on profit/loss for the year

	2019/20	2018/19
	DKK	DKK
Current tax	361,546	24,943
Adjustment concerning previous years	7,196	0
	368,742	24,943

3 Non-current liabilities other than provisions

	Due after more than 12 months 2019/20 DKK
Other payables	29,755
	29,755

4 Group relations

Treasury Wine Estates Denmark ApS is part of the consolidated financial statements of Treasury Wine Estates Limited, a company incorporated in Australia with its registered address at Level 8, 161 Collins Street, Melbourne, Victoria 3000, Australia, which is the smallest group in which the company is included as a subsidiary. Treasury Wine Estates Denmark ApS is directly owned by Treasury Wine Estates EMEA Limited, a company incorporated in the United Kingdom with its registered address at 9th Floor, Regal House, 70 London Road, Twickenham, Middlesex, TW1 3QS, United Kingdom.

Accounting policies

Reporting class

This annual report has been presented in accordance with the provisions of the Danish Financial Statements Act governing reporting class B enterprises with addition of certain provisions for reporting class C.

The accounting policies applied to these financial statements are consistent with those applied last year.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable as a result of a prior event that future economic benefits will flow to the Entity, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Entity has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the Entity, and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Income statement

Gross profit or loss

Gross profit or loss comprises revenue, cost of sales and external expenses.

Revenue

Revenue from the sale of manufactured goods and goods for resale is recognised in the income statement when delivery is made and risk has passed to the buyer. Revenue is recognised net of VAT, duties and sales discounts and is measured at fair value of the consideration fixed.

Cost of sales

Cost of sales comprises goods consumed in the financial year measured at cost, adjusted for ordinary inventory writedowns.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Staff costs

Staff costs comprise salaries and wages, and social security contributions, pension contributions, etc for entity staff.

Other financial income

Other financial income comprises interest income, including interest income on receivables from group enterprises, net capital or exchange gains on transactions in foreign currencies and tax relief under the Danish Tax Prepayment Scheme etc.

Other financial expenses

Other financial expenses comprise interest expenses, including interest expenses on payables to group enterprises, net capital or exchange losses on transactions in foreign currencies and tax surcharge under the Danish Tax Prepayment Scheme etc.

Tax on profit/loss for the year

Tax for the year, which consists of current tax for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and recognised directly in equity by the portion attributable to entries directly in equity.

Balance sheet**Inventories**

Inventories are measured at the lower of cost using the FIFO method and net realisable value.

Cost consists of purchase price of bulk wine, delivery costs, dry goods and filling costs.

The net realisable value of inventories is calculated as the estimated selling price less completion costs and costs incurred to execute sale.

Receivables

Receivables are measured at amortised cost, usually equalling nominal value less writedowns for bad and doubtful debts.

Cash

Cash comprises bank deposits.

Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.

Tax receivable or payable

Current tax receivable or payable is recognised in the balance sheet, stated as tax computed on this year's taxable income, adjusted for prepaid tax.