ANDREW PELLER

LIMITED

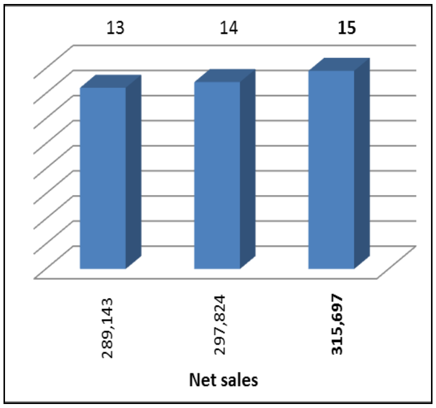
CANADIAN WINERY OF THE YEAR

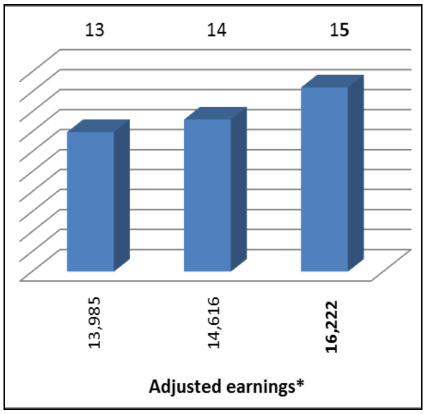
2015 Annual Report

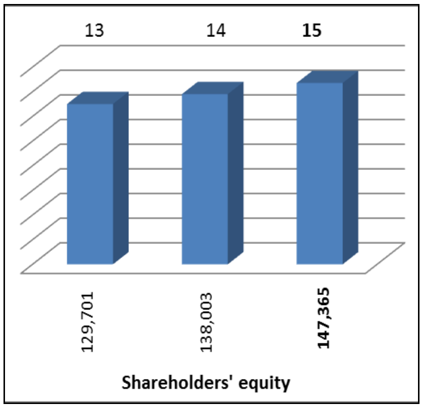
OPERATIONAL HIGHLIGHTS

FOR THE YEARS ENDED MARCH 31
(in thousands of Canadian dollars, except per share amounts)

	2015	2014
SALES AND EARNINGS		
Net sales	**$ 315,697**	$ 297,824
EBITA	**35,518**	33,729
Adjusted earnings *	**16,222**	14,616
FINANCIAL POSITION		
Working capital	**68,982**	44,564
Total assets	**301,505**	301,015
Shareholders' equity	**147,365**	138,003
PER SHARE		
Net earnings per Class A Share - basic and diluted	**1.13**	1.01
DIVIDENDS		
Class A Shares, non-voting	**0.420**	0.400
Class B Shares, voting	**0.365**	0.348
MARKET VALUE		
Class A - HIGH	**16.26**	14.40
Class A - LOW	**13.10**	11.19
Class B - HIGH	**26.10**	20.00
Class B - LOW	**15.35**	11.50
ANALYTICAL INFORMATION		
Return on average shareholders' equity	**11.0%**	10.5%
Return on average capital employed	**11.5%**	10.8%
Ratio of current assets to current liabilities	**1.9:1**	1.4:1







- Adjusted earnings is defined as net earnings excluding restructuring costs, gains (losses) on derivative financial instruments, other expenses (losses), and the related income tax effect.

Overview

The Company is a leading producer and marketer of quality wines in Canada. With wineries in British Columbia, Ontario, and Nova Scotia, the Company markets wines produced from grapes grown in Ontario's Niagara Peninsula, British Columbia's Okanagan and Similkameen Valleys, and from vineyards around the world. The Company's award-winning premium and ultra-premium VQA brands include *Peller Estates, Trius, Hillebrand, Thirty Bench, Crush, Wayne Gretzky, Sandhill, Calona Vineyards Artist Series,* and *Red Rooster*. Complementing these premium brands are a number of popularly priced varietal brands including *Peller Estates French Cross* in Eastern Canada, *Peller Estates Proprietors Reserve* in Western Canada, *Copper Moon, XOXO, skinnygrape, Black Cellar,* and *Verano. Hochtaler, Domaine D'Or, Schloss Laderheim, Royal,* and *Sommet* are our key value priced brands. The Company produces wine based liqueurs and cocktails under the brand *Panama Jack* and wine based spritzers under the *skinnygrape* brand. The Company imports wines from major wine regions around the world to blend with domestic wine to craft these popularly priced and value priced brands. With a focus on serving the needs of all wine consumers, the Company produces and markets premium personal winemaking products through its wholly-owned subsidiary, Global Vintners Inc. ("GVI"), the recognized leader in personal winemaking products. GVI distributes products through over 170 Winexpert authorized retailers and more than 600 independent retailers across Canada, the United States, the United Kingdom, New Zealand, Australia, and China. GVI's award-winning premium and ultra-premium winemaking brands include *Selection, Vintners Reserve, Island Mist, KenRidge, Cheeky Monkey, Ultimate Estate Reserve, Traditional Vintage, and Cellar Craft*. The Company owns and operates over 100 well-positioned independent retail locations in Ontario under The Wine Shop, Wine Country Vintners, and Wine Country Merchants store names. The Company also owns Andrew Peller Import Agency and The Small Winemaker's Collection Inc. ("SWM"), importers and marketing agents for premium wines from around the world. The Company's products are sold predominantly in Canada with a focus on export sales for its icewine and personal winemaking products.

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Report to Shareholders

> *Fiscal 2015 was another year of strong performance for the Company highlighted by strong organic growth, the launch of new products and entry into new wine-related markets, and key awards, including Peller Estates being named 2014 Winery of the Year. With this strong performance, and our positive outlook on our future, we were pleased to increase our common share dividends by 7.1%, our seventh increase in ten years.*

Strong Performance

Sales for the fiscal year ended March 31, 2015 rose 6.0% to $315.7 million, driven by strong organic growth across the majority of our well-established trade channels, the introduction of new products such as *Black Cellar* wines and the launch of *Wayne Gretzky Estates* wines into Western Canada, as well as our entry into new wine-related categories, including *skinnygrape* spritzers and *Panama Jack* wine-based cocktails. Sales growth was particularly strong through our network of retail outlets in Ontario, our export markets, our two wine import and marketing agencies, and provincial liquor control boards across the country.

We were very pleased to see our gross margins strengthen steadily through fiscal 2015, the result of initiatives over the last few years to enhance productivity and reduce costs. These investments have largely offset price competition in certain of our markets and the impact of the weaker Canadian dollar on our international purchases.

As a result of this strong sales growth and continuing improvement in gross margins, our adjusted net earnings, not including restructuring charges, unrealized losses and gains on derivative financial instruments, and other expenses or income, rose 11.0% to $16.2 million. Net earnings for the year were $15.8 million or $1.13 per Class A Share, up 11.9% from $14.0 million or $1.01 per Class A Share in fiscal 2014.

In addition to this record operating performance, our balance sheet and financial position remained strong at year-end with an increase in working capital to $69.0 million, a reduction in our overall debt position, and an increase in shareholders' equity to $147.4 million or $10.31 per common share. We also renegotiated our credit facilities during the year to realize lower debt service costs and to better reflect our ongoing strategic direction.

Increase in Common Share Dividends

With our record operating results, our strong financial position, and our positive outlook on the future, the Board of Directors was pleased to announce a 7.1% increase in common share dividends in June. The annual amount of dividends on Class A Shares was increased to $0.450 per share and on Class B Shares to $0.391 per share. This increase in dividends was our seventh in the last ten years, and a further demonstration of our commitment to enhancing shareholder value. The Company has consistently paid common share dividends since 1974.

Strong Brand Performance

All of our key brands performed well during the year as we continue to deliver the highest quality and value at all price points. Our two largest brands, *Peller Estates French Cross / Proprietors Reserve* and *Copper Moon*, remained the second and third largest wine brands in our markets, while the launch of our new *Black Cellar* varietal table wines became one of our fastest growing new brands.

Our higher margin Vintners Quality Alliance ("VQA") brand portfolio continues to perform well with our *Peller Estates Family Series, Wayne Gretzky Estates,* and *Red Rooster* remaining among the top-selling brands in our markets. Our premium *Trius* wines also saw increased sales during the year, supported by a new and updated label design. In Western Canada, our Sandhill Winery successfully added three new VQA varietals to its brand portfolio, while our ultra-premium VQA wines, sold primarily through our estate wineries in Ontario's Niagara-on-the-Lake and British Columbia's Okanagan Valley, also showed solid increases in sales through the year.

Our initiatives to grow our export business generated solid gains in fiscal 2015. Our *Andrew Peller* icewine is now sold in twenty countries and is listed at some of the world's top restaurants, including Jean Georges and Per Se in New York City, and Gordon Ramsay and Jamie Oliver in London, England. We also received a national listing with one of the U.K.'s most recognized wine retailers, and new distribution arrangements in Hong Kong. In addition, our wines continue to be served on board cruise ships such as Celebrity in the U.S. and P&O and Cunard in Europe, inflight through Air Canada business class, as well as in Montreal's Maple Leaf Lounge.

Significant Accomplishments

We were all very proud to have our Peller Estates Winery named "*2014 Canadian Winery of the Year*" at the 2014 WineAlign National Wine Awards held in Penticton, B.C. This was the 14th national competition judged by an extensive panel of Canada's most respected wine writers, wine critics, retail buyers, Master Sommeliers and Masters of Wines reviewing 1,335 wines from 189 wineries across Canada. We are also proud to see our Red Rooster Winery win "*South Okanagan Winery of the Year"* in June 2015, along with a Lieutenant Governor's Award for Excellence for its *Red Rooster 2012 Reserve Syrah*. These key awards are among the highest distinctions in the Canadian wine industry, and a testament to our commitment to quality in all we do.

A number of other awards and honours were garnered during the year. Emma Garner, the winemaker at our Thirty Bench Winery, was named the "*Ontario Wine Industry's Winemaker of the Year*", while our Western Canadian Sandhill Winery was awarded the "*Best White Wine Trophy*" at the recent Los Angeles Wine Competition. Overall, our VQA wines in Eastern Canada won a total of 92 medals in various domestic and international wine competitions, while our VQA brands in Western Canada were awarded 177 medals at both Canadian and prestigious international events.

Investing in our Future

In 2011 we established our strategic alliance with the Wayne Gretzky Estate Winery, and since then have seen significant growth in their brands to where their wines are now among the top-ten best sellers across the country. To support the popularity of these fine wines, we were pleased to announce in June 2015 that the new *Wayne Gretzky Estate Winery and Craft Distillery* will be built in Niagara-on-the-Lake with a projected grand opening in the spring of 2017.

Located on land adjacent to our Trius Winery, the new facility has been designed by award-winning architect Gren Weis to integrate into the rural Ontario landscape with a modern vision and interpretation. The proposed 15,000 square foot facility will include a winery, a craft distillery, barrel aging cellars, tasting rooms, retail and hospitality facilities, all surrounded by beautiful landscaping and vineyards. Sure to become a destination for wine lovers, the new facility will add to the significant investments we have made in our *Peller Estates, Trius, Thirty Bench, Sandhill* and *Red Rooster* estate wineries.

An Exciting Future

The Canadian wine business remains strong and growing, driven by increased consumption by young consumers who have adopted wine as their beverage of choice, the widely reported health benefits of moderate wine consumption, and an aging population who favour the more sophisticated experience wine delivers. For the year ended March 31, 2015 consumption of wine in our markets rose by approximately 3.0% following a 1.9% increase in fiscal 2014, while Canadian-made wines experienced an increase in market share to 36.4% from 35.3% in fiscal 2014. The Company's share of the total Canadian market was 13.8% in fiscal 2015, up from 13.4% in fiscal 2014.

To capitalize on these strong market fundamentals, and to maintain the steady and stable increases in our market share, we will continue to execute the same value-enhancing strategies that have proved so successful throughout our fifty-three year history.

Organic growth will come from further market share gains, the introduction of new products and packaging formats, continuing success in our export markets, and a strong and stable consumer-made wine business. One of our greatest strengths is our multi-faceted distribution network through licensed establishments, Provincial liquor boards, our network of 101 retail locations in Ontario, and our estate wineries in Ontario's Niagara Region and British Columbia's Okanagan Valley. Our wine clubs and direct-to-consumer programs continue to outperform the market, and our import wine and spirits agencies are performing well across Canada.

Since 1995 we have successfully completed and integrated fourteen accretive acquisitions for a total investment of approximately $113.8 million. All of these acquisitions have made a significant contribution to our growth and performance, and going forward we will continue to prudently investigate additional accretive acquisition opportunities that expand and complement our presence and brand profile within the Canadian wine market and enhance value for our shareholders.

We continue to invest in our people and our business systems, our marketing initiatives, our production capabilities, our vineyards, and our supply chain and distribution networks. We are confident these investments will contribute to increased sales and profitability for years to come.

In closing, we face an exciting future, and we thank everyone at the Company for their dedication and commitment. We also thank our suppliers and our customers, and our shareholders, for their support.

Joseph A. Peller
Chairman

John E. Peller
President and CEO

The Year's Top Awards Ontario VQA

In fiscal 2015, VQA brands in Eastern Canada received a total of

92 MEDALS

Peller Estates
WINERY OF THE YEAR

2014 National Wine Align Awards

The Canadian Winery of the Year Award is the highest distinction a winery can receive in the Canadian wine industry. With 1,335 wines being reviewed from 189 wineries across Canada, this competition is judged by an extensive panel of the most respected wine writers and critics, retail buyers, Master of Sommelier and Masters of Wines in Canada.

Peller Estates
WINERY OF THE YEAR

2014 Intervin Wine Awards

Peller Estates won a second Winery of the Year award in 2014 at the Intervin Wine Awards run by *Vines Magazine* in Canada.

In other competitions:

- **Peller Estates Private Reserve**
  Gamay Noir 2012
  Lieutenant Governor's Award for Excellence in Ontario wine
- **Trius**
  Red 2012
  Numerous awards, including Double Gold Medal at the 2014 All Canadian Wine Championships

Key individual award winners in the National Wine Align Awards were:

- **Andrew Peller Signature Series**
  Sauvignon Blanc 2012
  Platinum Award
- **Peller Estates Private Reserve**
  Cabernet Sauvignon 2012
  Gamay Noir 2012
  Gold Medals
- **Thirty Bench**
  Red 2012
  Gold Medal
- **Wayne Gretzky Estates**
  Riesling 2013
  Gold Medal

Of the numerous Icewine awards received by the Company, top honours went to:

- **Peller Estates**
  Oak-aged Icewine 2013
  Grand Gold Medal in the Icewine du Monde Competition; Grand Gold award in the Decanter World Wine Awards in the UK
- **Peller Estates**
  Riesling Icewine 2012
  Best Dessert Wine at the JapanWine Challenge
- **Trius Showcase**
  Vidal Icewine 2012
  Gold Outstanding Award at the International Wine & Spirits Competition
- **Wayne Gretzky Estates**
  Vidal Icewine 2012
  Gold Medal at the International Wine & Spirits Competition

The Year's Top Awards
British Columbia VQA

In fiscal 2015, VQA brands in Western Canada received a total of
177 MEDALS

In the 2015 Okanagan Spring Wine Festival, Sandhill won four Best in Category/Double Gold Medals for:

- **Sandhill White Label**
  Merlot Vanessa Vineyards 2012
- **Sandhill White Label**
  Viognier 2014
- **Sandhill Small Lots**
  Malbec 2012
- **Sandhill Small Lots**
  Sangiovese 2012

Many medals were awarded to Wayne Gretzky Okanagan, including:

- **Wayne Gretzky Okanagan**
  The Great Red 2011
  Gold Medal at the LA International Wine Competition; Gold Medal at the 2014 LA International Wine & Spirit Competition
- **Wayne Gretzky Okanagan**
  Pinot Grigio 2013
  Gold Medal at the 2014 Pacific Rim International Wine Competition
- **Wayne Gretzky Okanagan**
  Great White 2012
  Gold Medal at the 2014 Alberta Beverage Awards

Key medals were also won by:

- **Red Rooster**
  Pinot Noir 2012
  Gold Medal at the 2014 All Canadian Wine Championship
- **Calona Vineyards**
  Gewürztraminer 2012
  Gold Medal at the 2014 Tasters Guild International Wine Competition

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months and year ended March 31, 2015

The following management's discussion and analysis ('MD&A') provides a review of corporate developments, results of operations, and financial position for the three months and year ended March 31, 2015 in comparison with those for the three months and year ended March 31, 2014. This discussion is prepared as of June 17, 2015 and should be read in conjunction with the audited consolidated financial statements for the years ended March 31, 2015 and 2014, and the accompanying notes contained therein. The financial years ending March 31, 2016, March 31, 2015, and March 31, 2014 are referred to as "fiscal 2016", "fiscal 2015", and "fiscal 2014", respectively. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD-LOOKING INFORMATION

Certain statements in this Management's Discussion & Analysis may contain "forward-looking statements" within the meaning of applicable securities laws including the "safe harbour provisions" of the Securities Act (Ontario) with respect to Andrew Peller Limited ('APL' or the 'Company') and its subsidiaries. Such statements include, but are not limited to, statements about the growth of the business in light of the Company's acquisitions; its launch of new premium wines; sales trends in foreign markets; its supply of domestically grown grapes; and current economic conditions. These statements are subject to certain risks, assumptions, and uncertainties that could cause actual results to differ materially from those included in the forward-looking statements. The words "believe", "plan", "intend", "estimate", "expect", or "anticipate", and similar expressions, as well as future or conditional verbs such as "will", "should", "would", "could", and similar verbs often identify forward-looking statements. We have based these forward-looking statements on our current views with respect to future events and financial performance. With respect to forward-looking statements contained in this MD&A, the Company has made assumptions and applied certain factors regarding, among other things: future grape, glass bottle, and wine prices; its ability to obtain grapes, imported wine, glass, and its ability to obtain other raw materials; fluctuations in the U.S./Canadian dollar, Euro/Canadian dollar, and Australian/Canadian dollar exchange rates; its ability to market products successfully to its anticipated customers; the trade balance within the domestic Canadian wine market; market trends; reliance on key personnel; protection of its intellectual property rights; the economic environment; the regulatory requirements regarding producing, marketing, advertising, and labeling of its products; the regulation of liquor distribution and retailing in Ontario; the application of federal and provincial environmental laws; and the impact of increasing competition.

These forward-looking statements are also subject to the risks and uncertainties discussed in the "Risks and Uncertainties" section and elsewhere in this MD&A and other risks detailed from time to time in the publicly filed disclosure documents of the Company which are available at www.sedar.com. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions which could cause actual results to differ materially from the conclusions, forecasts, or projections anticipated in these forward-looking statements. Because of these risks, uncertainties, and assumptions you should not place undue reliance on these forward-looking statements. The Company's forward-looking statements are made only as of the date of this MD&A, and except as required by applicable law, Andrew Peller Limited undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events, or circumstances.

The Company's stated mission is to build sales volumes of its blended, premium, and ultra-premium brands by delivering to its customers and consumers the highest quality wines at the best possible value. To meet this goal the Company invests in improvements in the quality of grapes and wines, its winemaking capabilities, sales and marketing initiatives, and its quality management programs. Over the long term the Company believes premium wine sales will continue to grow in Canada and these products generate higher prices and increased profitability compared to lower-priced table wines.

The Company is focused on initiatives to reduce costs and enhance its production efficiencies through an ongoing review of its operations and continually reviews its cost structure with a view to enhancing profitability. The Company continues to expand and strengthen its distribution through provincial liquor boards, the Ontario independent retail locations under The Wine Shop, Wine Country Vintners, and Wine Country Merchants store names, estate wineries, restaurants, and other licensed establishments. This distribution network is supported by enhanced sales, marketing, and promotional programs. From time to time the Company also evaluates the potential for acquisitions and partnerships, both in Canada and internationally, to further complement its product portfolio and market presence.

Recent Events

On June 3, 2015 the Company's Board of Directors announced a 7.1% increase in common share dividends for shareholders of record on June 30, 2015 payable on July 10, 2015. The annual amount of dividends on Class A Shares was increased to $0.450 per share from $0.420 per share and the dividends on Class B Shares was increased to $0.391 per share from $0.365 per share.

During June 2014, Peller Estates was awarded the prestigious honour of "Canadian Winery of the Year" at the 2014 WineAlign National Wine Awards held in Penticton, British Columbia. This year marked the 14th national competition judged by an extensive panel of the most respected wine writers, wine critics, retail buyers, Master Sommeliers, and Masters of Wines in Canada. With 1,335 wines being reviewed from 189 wineries across Canada, the "Canadian Winery of the Year" is the highest distinction awarded in the Canadian wine industry.

On June 4, 2014 the Company's Board of Directors announced a 5% increase in common share dividends for shareholders of record on June 30, 2014 payable on July 4, 2014. The annual amount of dividends on Class A Shares was increased to $0.420 per share from $0.400 per share and the dividends on Class B Shares was increased to $0.365 per share from $0.348 per share.

The Canadian Wine Market

The market for wine in Canada has continued to grow because of increased consumption by young consumers who have more recently adopted wine as their beverage of choice, the widely reported health benefits of moderate wine consumption, and a movement towards an increased consumption of wine made by an aging population who favour the more sophisticated experience that wine offers.

For the year ended March 31, 2015 consumption of wine in Canada (excluding Quebec, where the Company does not participate and excluding the refreshment wine category) rose by approximately 3.0% after increasing by 1.9% in fiscal 2014. Imported wines accounted for 63.6% of total volume in fiscal 2015 down from 64.7% in fiscal 2014. Canadian-made wines experienced an increase in market share from 35.3% in fiscal 2014 to 36.4% in fiscal 2015. The Company's share of the total Canadian market in fiscal 2015 was 13.8% compared to 13.4% in 2014.

The Vintners Quality Alliance ('VQA'), established in 1989, has become recognized throughout the world as the appellation system for Canadian wines that meet strict standards of excellence. The Company increased its share of VQA wines by 0.4% in 2015 and by 1.5% in 2014.

Red table wines continued to grow in popularity with total Canadian volume sales rising 4.4% in fiscal 2015 compared to 2.4% in 2014. Volume sales of the Company's red wine portfolio increased 8.2% in fiscal 2015 after increasing by 10.3% in fiscal 2014. The increase was due to the strong performance of Wayne Gretzky wines and the launch of Black Cellar. Volume sales of white table wines in Canada rose 4.7% in fiscal 2015 and 2.2% in 2014 while the Company's sales of white table wines were up 5.8% in fiscal 2015 compared to 2.5% in fiscal 2014.

Results of Operations

For the year ended March 31, (in $000, except per share amounts)	2015	2014	2013
Sales	**$ 315,697**	$ 297,824	$ 289,143
Gross margin	**115,203**	107,982	109,743
Gross margin (% of sales)	**36.5%**	36.3%	38.0%
Selling and administrative expenses	**79,685**	74,253	76,254
EBITA	**35,518**	33,729	33,489
Unrealized losses (gains) on derivative financial instruments	**572**	(750)	(1,295)
Other expenses (income)	**51**	145	(544)
Adjusted earnings	**16,222**	14,616	13,985
Net earnings	**15,761**	14,021	14,519
Earnings per share – basic and diluted - Class A	**$1.13**	$1.01	$1.04
Earnings per share – basic and diluted - Class B	**$0.99**	$0.88	$0.91
Dividend per share – Class A (annual)	**$0.420**	$0.400	$0.360
Dividend per share – Class B (annual)	**$0.365**	$0.348	$0.314

Sales for the year ended March 31, 2015 increased 6.0% compared to fiscal 2014, driven by strong organic growth across all of the Company's trade channels, the introduction of new products, and the Company's entry into new wine-based product categories, including *skinnygrape* spritzers and *Panama Jack* cocktails. The launch of Black Cellar in fiscal 2014 also contributed to the strong sales growth in fiscal 2015. Sales growth was particularly strong through provincial liquor control boards across the country, the Company's export markets, its two wine import and marketing agencies, and its network of retail outlets in Ontario.

The Company defines gross margin as gross profit excluding amortization. Gross margin as a percentage of sales rose to 36.5% for the year ended March 31, 2015 from 36.3% in the prior year. Gross margin in fiscal 2015 has been positively impacted by the Company's continued success in implementing cost control initiatives to improve productivity and raw material cost savings, partially offset by ongoing price competition in key markets and the impact of the weaker Canadian dollar. Management is focused on efforts to enhance production efficiency and productivity.

Selling and administrative expenses increased in fiscal 2015 due primarily to increased advertising and promotional activities related to new product launches and other sales and marketing initiatives. As a percentage of sales, selling and administrative expenses for the year ended March 31, 2015 were 25.2%, consistent with 24.9% last year. The Company is focused on ensuring selling and administrative expenses are tightly controlled.

Earnings before interest, amortization, restructuring costs, unrealized derivative gains, other expenses, and income taxes ("EBITA") were $35.5 million for the year ended March 31, 2015, up 5.3% compared to $33.7 million in fiscal 2014. The increase in sales and gross margin in fiscal 2015 more than offset the increase in selling and administrative expenses for the year.

Interest expense decreased in fiscal 2015 compared to the prior year due to lower interest rates charged on bank debt and lower debt levels.

The Company recorded an unrealized non-cash loss in fiscal 2015 related to mark-to-market adjustments on an interest rate swap and foreign exchange contracts aggregating approximately $0.6 million compared to a non-cash gain of $0.8 million in the prior year. The Company has elected not to apply hedge accounting and accordingly the change in fair value of these financial instruments is reflected in the Company's statement of earnings each reporting period. These instruments are considered to be effective economic hedges and have enabled management to mitigate the volatility of changing costs and interest rates during the year.

Other expenses in fiscal 2015 related to a write-down of certain grapevines harmed by the extreme cold weather experienced over the last winter season partially offset by income from the temporary expropriation of the Company's Port Moody property. In fiscal 2014 other expenses related primarily to non-recurring post-retirement benefit costs collectively bargained with the BC union partially offset by income from the temporary expropriation of the Port Moody property. The property is temporarily being used as a staging area for the construction of a rapid transit project. Payments amounting to $2.0 million for the use of the property were received in advance and were recorded as deferred income and are being recognized as other income over the five-year term of the expropriation which began on July 1, 2012.

Adjusted earnings, defined as net earnings not including restructuring charges, unrealized losses and gains on derivative financial instruments, and other expenses or income, rose 11.0% to $16.2 million for the year ended March 31, 2015 compared to $14.6 million in the prior year.

Net earnings for the year ended March 31, 2015 were $15.8 million or $1.13 per Class A Share compared to $14.0 million or $1.01 per Class A Share in fiscal 2014.

The Company believes that sales will continue to grow moderately in fiscal 2016 due to the strong positioning of key brands, the continued launch of new and innovative products in the Canadian wine market, and continued growth in new wine-related markets. In fiscal 2016 the higher cost of U.S. dollar currency purchases is expected to have a negative impact on gross margins which should be partially offset by successful cost control initiatives to reduce distribution, operating and packaging expenses and further raw material cost savings.

The Company uses foreign exchange forward contracts to protect against changes in foreign currency rates and as at March 31, 2015 had locked in $22.1 million in U.S. dollar contracts at rates averaging $1.23 Canadian, €3.5 million in Euro contracts at rates averaging $1.42 Canadian, and $4.0 million in Australian dollar contracts at rates averaging $0.95 Canadian. These contracts expire at various dates through December 31, 2015.

Quarterly Performance

The following table outlines key quarterly highlights.

(in $000, except per share amounts)	Q4 15	Q3 15[1]	Q2 15[1]	Q1 15	Q4 14	Q3 14	Q2 14	Q1 14
Sales	**$68,791**	$84,630	$82,759	$79,517	$66,026	$81,854	$77,226	$72,718
Gross margin	**24,648**	31,267	29,990	29,298	22,606	29,475	28,091	27,810
Gross margin (% of sales)	**35.8%**	36.9%	36.2%	36.8%	34.2%	36.0%	36.4%	38.2%
EBITA	**4,707**	11,139	9,507	10,165	3,655	11,378	9,021	9,675
Restructuring costs	-	-	-	-	1,056	254	99	-
Unrealized losses (gains) on financial instruments	**622**	50	(1,225)	1,125	(231)	(252)	464	(731)
Other (income) expenses	**(139)**	81	(33)	142	(97)	(22)	296	(32)
Adjusted earnings (loss)	**1,075**	5,887	4,218	5,042	(39)	5,952	4,176	4,527
Net earnings (loss)	**718**	5,790	5,149	4,104	(578)	5,967	3,540	5,092
E.P.S. – Class A basic & diluted	**$0.05**	$0.41	$0.37	$0.30	$(0.04)	$0.43	$0.25	$0.37
E.P.S. – Class B basic & diluted	**$0.05**	$0.36	$0.32	$0.26	$(0.03)	$0.37	$0.22	$0.32

1. Certain expenses in the statement of earnings in the second and third quarter were reclassified from other expenses to selling and administration to conform with the annual presentation.

The third quarter is historically the strongest in each fiscal year due to increased consumer purchasing of the Company's products during the holiday season.

Sales in the fourth quarter of fiscal 2015 increased 4.2% compared to the same quarter of fiscal 2014 due primarily to strong organic growth across all of the Company's trade channels and strong VQA sales in Western Canada. Sales growth was particularly strong through the Company's network of retail outlets in Ontario, its export markets, its two wine import and marketing agencies, and provincial liquor control boards across the country. Gross margin for the three months ended March 31, 2015 improved to 35.8% of sales from 34.2% in the prior year's fourth quarter. The increase was due primarily to the positive impact of the Company's productivity improvement initiatives and raw material cost savings partially offset by continued price competition in key markets and the impact of the weaker Canadian dollar. Selling and administrative expenses increased in the fourth quarter of fiscal 2015 due to increased advertising and promotional activities related to new product launches and other sales and marketing initiatives. EBITA was $4.7 million for the three months ended March 31, 2015, up 28.8% from the $3.7 million for the same quarter in fiscal 2014 as a result of the increase in sales and gross margins in fiscal 2015. Adjusted net earnings were $1.1 million for the three months ended March 31, 2015 compared to $0.0 million in the same prior year period.

Liquidity and Capital Resources

As at (in $000)	**March 31, 2015**	March 31, 2014
Current assets	$ **146,764**	$ 146,127
Property, plant, and equipment	**90,955**	90,152
Biological assets	**13,982**	14,054
Intangibles	**12,331**	13,209
Goodwill	**37,473**	37,473
Total assets	$ **301,505**	$ 301,015
Current liabilities	$ **77,782**	$ 101,563
Long-term debt	**52,269**	38,328
Long-term derivative financial instruments	**1,447**	268
Post-employment benefit obligations	**6,165**	6,132
Deferred income	**506**	910
Deferred income tax	**15,971**	15,811
Shareholders' equity	**147,365**	138,003
Total liabilities and shareholders' equity	$ **301,505**	$ 301,015

Inventory declined marginally at March 31, 2015 compared to March 31, 2014. Bulk wine declined as a result of a smaller than usual domestic wine harvest in Ontario, while finished goods were higher at March 31, 2015 as a result of the introduction of new products. Extreme cold weather experienced in Ontario resulted in a smaller domestic grape crop for vintage 2014 in the province. Certain vintage 2014 varietals are in short supply but this is not expected to have a material impact on the Company's profitability during fiscal 2016 which is when the majority of its vintage 2014 wines will be sold. The Company continues to generate benefits from improved information technology systems introduced to monitor and control the Company's supply chain. These systems include improvements to the Company's ability to manage supply shortages and excesses. Inventory is dependent on the increased use of domestically grown grapes that are used in the sale of premium and ultra-premium wines that are held for a longer period than imported wine. These grapes are typically aged for one to three years before they are sold. The cost of domestically grown grapes is also significantly higher than wine purchased on international markets.

Accounts receivable were higher at March 31, 2015 due to the increase in sales in fiscal 2015 which are predominantly with provincial liquor boards and to a lesser extent licensed establishments and independent retailers of consumer made wine kits. The Company had $13.5 million of accounts receivable with provincial liquor boards at March 31, 2015, all of which is expected to be collectible. The balance represents amounts due from licensees, export customers, and independent retailers of consumer made wine products. The amount of accounts receivable that was 30 days past due was $0.8 million at March 31, 2015. Against these amounts an allowance for doubtful accounts of $0.1 million has been provided which the Company has determined represents a reasonable estimate of amounts that may not be collectible.

The changes in bank indebtedness, the current portion of long-term debt, and long-term debt at March 31, 2015 compared to March 31, 2014 were as a result of a refinancing completed on April 28, 2014 which is described below. Overall bank debt declined to $89.0 million as at March 31, 2015 compared to $100.1 million at March 31, 2014 as a result of strong earnings and lower capital expenditures compared to the prior year.

The following table outlines the Company’s contractual obligations.

As at March 31, 2015 (in $000)	**Total**	**<1 Year**	**2-3 years**	**4-5 years**	**>5 years**
Long-term debt	**$ 56,952**	$ 4,194	$ 8,212	$ 44,546	$ -
Swap agreement and loan interest	**7,478**	2,255	3,541	1,682	-
Operating leases and royalties	**23,707**	4,862	6,640	3,602	8,603
Pension obligations	**5,306**	987	1,413	858	2,048
Foreign exchange contracts	**35,937**	35,937	-	-	-
Long-term raw materials and packaging contracts	**317,176**	74,636	89,782	53,656	99,102
Total long-term obligations	**$ 446,556**	$ 122,871	$ 109,588	$ 104,344	$ 109,753

The ratio of debt to equity was 0.60:1 at March 31, 2015 compared to 0.73:1 at March 31, 2014. At March 31, 2015 the Company had unutilized debt capacity in the amount of $55.4 million on its operating loan facility.

On April 28, 2014 the Company completed a refinancing with its existing bank group by entering into a $165.0 million syndicated loan facility. The operating loan facility in the amount of $90.0 million matures on April 28, 2019 and bears interest at the one to nine-month Canadian Dealer Offered Rate (“CDOR”) plus a rate that is dependent on leverage. The rate that is dependent on leverage for the period ended March 31, 2015 was 1.50%. The term facility in the amount of $60.0 million matures on April 28, 2019. The Company also added a $15.0 million facility to fund future capital expenditures that also matures on April 28, 2019. The Company put in place an interest rate swap that complements the current swap that effectively fixes the interest rate on the term facility at 4.68% through August 31, 2015 and at 3.66% for the period from September 1, 2015 to April 28, 2019. The loan will be repayable in monthly principal payments of $0.333 million until it matures on April 28, 2019.

Management expects to generate sufficient cash flow from operations to meet its debt servicing, principal payment, and working capital requirements over both the short and the long-term through increased profitability and strong management of working capital and capital expenditures. The Company continually reviews all of its assets to ensure appropriate returns on investment are being achieved and that they fit with the Company’s long-term strategic objectives.

In fiscal 2015 the Company generated cash from operating activities, after changes in non-cash working capital items, of $25.8 million compared to $25.0 million in the prior year. Higher earnings and lower inventory levels led to an increase which was partially offset by an increase in accounts receivable due to the strong sales performance and lower accounts payable.

Investing activities of $8.8 million were made in fiscal 2015 compared to $11.2 million in the prior year. Capital expenditures in fiscal 2015 consisted of normal expenditures to sustain operations, the construction of a Sandhill winery retail store in Kelowna, and the replanting of certain of the Company’s vineyards.

Working capital as at March 31, 2015 increased to $69.0 million compared to $44.6 million at March 31, 2014. The conversion of $15.0 million of the outstanding amount of the Company’s operating facility into the term facility and the lower amortization of term debt in the new credit agreement served to increase working capital. There was an increase in accounts receivable due to the sales growth in fiscal 2015 and there were decreases in accounts payable, bank indebtedness, and the current portion of long-term debt. Shareholders’ equity as at March 31, 2015 was $147.4 million or $10.31 per common share compared to $138.0 million or $9.65 per common share as at March 31, 2014. The increase in shareholders’ equity is due to the net earnings in fiscal 2015, partially offset by the payment of dividends.

Common Shares Outstanding

The Company is authorized to issue an unlimited number of Class A and Class B Shares. Class A Shares are non-voting and are entitled to a dividend in an amount equal to 115% of any dividend paid or declared on Class B Shares. Class B Shares are voting and convertible into Class A Shares on a one-for-one basis.

Shares outstanding	March 31, 2015	March 31, 2014	March 31, 2013
Class A Shares	**11,293,829**	11,293,829	11,293,829
Class B Shares	**3,004,041**	3,004,041	3,004,041
Total	**14,297,870**	14,297,870	14,297,870

Strategic Outlook and Direction

Andrew Peller Limited is committed to a strategy of growth that focuses on the expansion of its core business as a producer and marketer of quality wines and wine related products through concentrating on and developing leading brands that meet the needs of our consumers and customers.

The market for wine in Canada continues to grow due to a movement toward the consumption of wine made by young consumers who have adopted wine as their beverage of choice, an aging population that favours the more sophisticated experience that wine offers, and the widely reported health benefits of moderate wine consumption. The Company has recorded strong growth in sales through provincial liquor boards and export and agency trade channels. The Company has focused its product development and sales and marketing initiatives at capitalizing on the trend of increased wine consumption and expects to see continued sales growth. The Company will continue to closely monitor its costs and will react quickly to changes to risks and opportunities in the marketplace.

The Company will continue to launch wine brands in the future and increase its use of differentiated package formats. The Company will also expand product offerings outside the traditional table wine segment, into other alcoholic beverages, where it is able to leverage its detailed knowledge of growth opportunities in the Canadian market. The Company will also make packaging design changes that are more appealing to its target markets and are consistent with its initiative to be more environmentally friendly. Increased focus will be made on coordination between the Company's business-to-consumer trade channels to provide customers with a more intimate awareness of its broad product portfolio. New product launches and directed spending to support key brands through all of the Company's distribution channels will continue to receive increased marketing and sales support in fiscal 2016.

The Company expects to maximize the efficiency of its existing assets while also making additional investments in capital expenditures to increase capacity, to support its ongoing commitment to producing the highest-quality wines, and to improve productivity. Improvements to enhance the coordination throughout its supply chain have been implemented recently and benefits have begun to accrue. Investments made over the past few years are expected to continue to result in increased sales and improved profitability.

From time to time the Company evaluates investment opportunities, including acquisitions, which support its strategic direction.

The Company plans to dedicate further resources towards rectifying unfair trade practices and taxes by continuing to work closely with other members of the Canadian wine industry and the Canadian and provincial governments.

The Company anticipates it will generate increased sales in fiscal 2016 while gross margin dollars are expected to remain stable. The higher costs of U.S. dollar currency purchases are expected to have a negative impact on gross margin percentage in fiscal 2016 which is expected to be partially offset by further raw material cost savings and production efficiencies.

The Company's product portfolio covers the complete spectrum of price levels within the Canadian wine market. While there may be an increase in purchases of ultra-premium wine, this is expected to be offset by a slight decrease in sales of blended varietal wine. In addition, the Company will be accelerating its efforts to generate production efficiencies and reduce overhead costs to enhance its overall profitability.

Risks and Uncertainties

The Company's sales of wine are affected by general economic conditions such as changes in discretionary consumer spending and consumer confidence, future economic conditions, tax laws, and the prices of its products. A steep and sustained decline in economic growth may cause a lower demand for the Company's products. Such general economic conditions could impact the Company's sales through the Company's estate wineries and restaurants, direct sales through licensed establishments, and export sales through duty free shops. APL believes that these effects would likely be temporary and would not have a significant impact on financial performance.

The Canadian wine market continues to be the target of low-priced imported wines from regions and countries that subsidize wine production and grape growing as well as providing sizeable export subsidies. Many of these countries and regions prohibit or restrict the sale of imported wine in their own domestic markets. The Company, along with other members of the Canadian wine industry, are working with the Canadian government to rectify these unfair trade practices.

The Company operates in a highly competitive industry and the dollar amount and unit volume of sales could be negatively impacted by its inability to maintain or increase prices, changes in geographic or product mix, a general decline in beverage alcohol consumption, or the decision of retailers or consumers to purchase competitive products instead of the Company's products. Retailer and consumer purchasing decisions are influenced by, among other things, the perceived absolute or relative overall value of the Company's products including their quality or pricing compared to competitive products. Unit volume and dollar sales could also be affected by purchasing, financing, operational, advertising, or promotional decisions made by provincial agencies and retailers which could affect supply of or consumer demand for, the Company's products. APL could also experience higher than expected selling and administrative expenses if it finds it necessary to increase the number of its personnel, advertising, or promotional expenditures to maintain its competitive position.

APL expects to increase the sales of its premium wines in Canada principally through the sale of VQA wines, and as a result, is dependent on the quality and supply of domestically grown premium quality grapes. If any of the Company's vineyards or the vineyards of our grape suppliers experience certain weather variations, natural disasters, pestilence, other severe environmental problems, or other occurrences, APL may not be able to secure a sufficient supply of grapes, a situation which could result in a decrease in production of certain products from those regions and/or result in an increase in costs. In the past where there has been a significant reduction in domestically sourced grapes, the Government of Ontario, in conjunction with the Ontario Grape Growers Marketing Board, have agreed to temporarily increase the blending of imported wines which would enable the Company to continue to supply products to the market. The inability to secure premium quality grapes could impair the ability of the Company to supply certain wines to its customers. APL has developed programs to ensure it has access to a consistent supply of premium quality grapes and wine. The price of grapes is determined through negotiations with the Ontario Grape Growers Marketing Board in Ontario and with independent growers in British Columbia.

Foreign exchange risk exists on the purchases of bulk wine and concentrate that are primarily made in United States dollars, Euros, and Australian dollars. The Company's strategy is to hedge approximately 50% - 80% of its foreign exchange requirements throughout the fiscal year and to regularly review its on-going requirements. APL has entered into a series of foreign exchange contracts as a hedge against movements in U.S. dollar and Euro exchange rates. The Company does not enter into foreign exchange contracts for trading or speculative purposes. These contracts are reviewed periodically.

During fiscal 2016, based on the Company's forecasts for foreign currency purchases and the amount of foreign exchange forward contracts outstanding at June 17, 2015, each one percent change in the value of the U.S. dollar will have a $0.1 million impact on the Company's net earnings. Each one percent change in the value of the Euro will have a $0.1 million impact on the Company's net earnings and a one percent change in the value of the Australian dollar will have a $0.1 million impact on the Company's net earnings.

The Company purchases glass, bag in box, tetra paks, and other components used in the bottling and packaging of wine. The largest component in the packaging of wine is glass, of which there are few domestic or international suppliers. There is currently only one commercial supplier of glass in Canada that is able to supply glass to APL's specifications. Any interruption in supply could have an adverse impact on the Company's ability to supply its markets. APL has taken steps to reduce its dependence on domestic suppliers through the development of relationships with several international producers of glass and through carrying increased inventory of selected bottles.

The Company operates in a highly regulated industry with requirements regarding the production, distribution, marketing, advertising, and labelling of wine. These regulatory requirements may inhibit or restrict the Company's ability to maintain or increase strong consumer support for and recognition of its brands and may adversely affect APL's business strategies and results of operations. Privatization of liquor distribution and retailing has been implemented in varying degrees across the country. The possibility of privatization in Ontario remains a risk to the Company through its impact on the Company's retail operations. The provincial government has stated that, should it consider privatization, it would engage in a consultation process and would acknowledge the special role of Ontario's wine industry.

During fiscal 2015, the Government of Ontario set up a special government advisory panel to look at methods to extract more value from its assets which includes the LCBO. Following this review, the Government announced that it will issue licenses to sell beer in grocery stores. There were no significant decisions announced in respect of changes to the distribution of wine in the Province of Ontario. However, there is a risk that significant changes may be made in the future and these changes could have a significant impact on the Company. The impact of these changes will remain uncertain until details are known and they are implemented.

The Province of British Columbia has recently announced that it will allow the sale of wine in grocery stores amongst other changes in liquor policies. The impact of these changes will remain uncertain until details are known and they are implemented.

The wine industry and the domestic and international market in which the Company operates are consolidating. This has resulted in fewer, but larger, competitors who have increased their resources and scale. The increased competition from these larger market participants may affect the Company's pricing strategies and create margin pressures resulting in potentially lower revenues. Competition also exerts pressure on existing customer relationships which may affect APL's ability to retain existing customers and increase the number of new customers. The Company has worked to improve production efficiencies, selectively increase pricing to increase gross margin, and implement a higher level of promotion and advertising activity to combat these initiatives. APL and other wine industry participants also generally compete with other alcoholic beverages like beer and spirits for consumer acceptance, loyalty, and shelf space. No assurance can be given that consumer demand for wine and premium wine products will continue at current levels in the future.

Federal and provincial governments impose excise and other taxes on beverage alcohol products which have been subject to change. Significant increases in excise and other taxes on beverage alcohol products could materially and adversely affect the Company's financial condition or results of operations. Federal and provincial governmental agencies extensively regulate the beverage alcohol products industry concerning such matters as licensing, trade practices, permitted and required labelling, advertising, and relations with consumers and retailers. Certain federal and provincial regulations also require warning labels and signage. New or revised regulations, increased licensing fees, requirements, or taxes could also have a material adverse effect on the Company's financial condition or results of operations.

The Company's future operating results also depend on the ability of its officers and other key employees to continue to implement and improve its operating and financial systems and manage the Company's significant relationships with its suppliers and customers. The Company is also dependent upon the performance of its key senior management personnel. The Company's success is linked to its ability to identify, hire, train, motivate, promote, and retain highly qualified management. Competition for such employees is intense and there can be no assurances that the Company will be able to retain current key employees or attract new key employees.

The Company has defined benefit pension plans. The expense and cash contributions related to these plans depend on the discount rate used to measure the liability to pay future benefits and the market performance of the plan assets set aside to pay these benefits. A pension committee reviews the performance of plan assets on a regular basis and has a policy to hold diversified investments. Nevertheless, a decline in long-term interest rates or in asset values could increase the Company's costs related to funding the deficit in these plans.

The competitive nature of the wine industry internationally has resulted in the discounting of retail prices of wine in key markets such as the United States and the United Kingdom. The Company does not believe that significant price discounting will occur in Canada beyond current levels.

The Company considers its trademarks, particularly certain brand names and product packaging, advertising and promotion design, and artwork to be of significant importance to its business and ascribes a significant value to these intangible assets. APL relies on trademark laws and other arrangements to protect its proprietary rights. There can be no assurance that the steps taken by APL to protect its intellectual property rights will preclude competitors from developing confusingly similar brand names or promotional materials. The Company believes that its proprietary rights do not infringe upon the proprietary rights of third parties, but there can be no assurance in this regard.

As an owner and lessor of property the Company is subject to various federal and provincial laws relating to environmental matters. Such laws provide that the Company could be held liable for the cost of removal and remediation of hazardous substances on its properties. The failure to remedy any situation that might arise could lead to claims against the Company. A perceived failure to maintain high ethical, social, and environmental standards could have an adverse effect on the Company's reputation.

The success of the Company's brands depends upon the positive image that consumers have of those brands. Contamination of APL's products, whether arising accidentally or through deliberate third-party action, or other events that harm the integrity or consumer support for those brands could adversely affect their sales. Contaminants in raw materials purchased from third parties and used in the production of the Company's products or defects in the fermentation process could lead to low product quality as well as illness among, or injury to, consumers of the products and may result in reduced sales of the affected brand or all of the Company's brands.

Non-IFRS Measures

The Company utilizes EBITA (defined as earnings before interest, amortization, restructuring costs, unrealized derivative gains and losses, other expenses (income), and income taxes) to measure its financial performance. EBITA is not a recognized measure under IFRS; however, management believes that EBITA is a useful supplemental measure to net earnings as it provides readers with an indication of earnings available for investment prior to debt service, capital expenditures, and income taxes.

For the three months and year ended March 31,	Three Months		Year	
(in $000)	**2015[1]**	2014	**2015**	2014
Net earnings	**$ 718**	$ (578)	**$ 15,761**	$ 14,021
Add: Interest	**1,125**	1,552	**4,847**	5,386
Provision for income taxes	**72**	(375)	**5,736**	5,223
Amortization of plant and equipment used in production	**1,316**	1,379	**5,116**	4,979
Amortization of equipment and intangibles used in selling and administration	**993**	949	**3,435**	3,316
Restructuring costs	**-**	1,056	**-**	1,409
Net unrealized losses (gains) on derivatives	**622**	(231)	**572**	(750)
Other expenses	**(139)**	(97)	**51**	145
EBITA	**$ 4,707**	$ 3,655	**$ 35,518**	$ 33,729

1. Certain expenses in the statement of earnings in the second and third quarter were reclassified from other expenses to selling and administration to conform with the annual presentation.

Readers are cautioned that EBITA should not be construed as an alternative to net earnings determined in accordance with IFRS as an indicator of the Company's performance or to cash flows from operating, investing, and financing activities as a measure of liquidity and cash flows.

The Company also utilizes gross margin (defined as sales less cost of goods sold, excluding amortization) as calculated below.

For the three months and year ended March 31,	Three Months		Year	
(in $000)	**2015**	2014	**2015**	2014
Sales	**$ 68,791**	$ 66,026	**$ 315,697**	$ 297,824
Less: Cost of goods sold, excluding amortization	**44,143**	43,420	**200,494**	189,842
Gross margin	**$ 24,648**	$ 22,606	**$ 115,203**	$ 107,982
Gross margin (% of sales)	**35.8%**	34.2%	**36.5%**	36.3%

The Company calculates adjusted earnings as follows.

For the three months and year ended March 31,	Three Months		Year	
(in $000)	**2015[1]**	2014	**2015**	2014
Net earnings	**$ 718**	$ (578)	**$ 15,761**	$ 14,021
Restructuring costs	**-**	1,056	**-**	1,409
Net unrealized losses (gains) on derivatives	**622**	(231)	**572**	(750)
Other (income) expenses	**(139)**	(97)	**51**	145
Income tax effect of the above	**(126)**	(189)	**(162)**	(209)
Adjusted earnings	**$ 1,075**	$ (39)	**$ 16,222**	$ 14,616

1. Certain expenses in the statement of earnings in the second and third quarter were reclassified from other expenses to selling and administration to conform with the annual presentation.

The Company's method of calculating EBITA, gross margin, and adjusted earnings may differ from the methods used by other companies and accordingly, may not be comparable to the corresponding measures used by other companies.

Financial Statements and Accounting Policies

The Company's consolidated financial statements have been prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB").

Critical Accounting Estimates

During the year management is required to make estimates and assumptions that are inherently uncertain. These estimates can vary with respect to the level of judgment involved and ultimately the impact that these estimates may have on the Company's financial statements. Estimates are deemed to be critical when a different estimate could reasonably be used or where changes are reasonably likely to occur which would materially affect the Company's financial position or financial performance. The Company's significant accounting policies are discussed in the Notes to the March 31, 2015 Consolidated Financial Statements. Critical estimates inherent in these accounting policies are set out below.

Inventory Valuation

Inventory is valued at the lower of cost and net realizable value. Cost is determined on an average cost basis. The Company utilizes a weighted average cost calculation to determine the value of ending inventory (bulk wine and finished goods). Average cost is determined separately for import wine and domestic wine and is calculated by varietal and vintage year.

Grapes produced from vineyards controlled by the Company that are part of inventory are measured at their fair value less costs to sell at the point of harvest.

The Company includes borrowing costs in the cost of certain wine inventory that requires a substantial period of time to become ready for sale. Management has provided an allowance for slow moving and obsolete inventory which is considered to be sufficient for potential losses.

Biological Assets

The Company measures biological assets, consisting of grape vines, at fair value less costs to sell. Agricultural produce, consisting of grapes grown on vineyards controlled by the Company, is measured at fair value less costs to sell at the point of harvest and becomes the basis for the cost of inventory after harvest.

Gains or losses arising from a change in fair value less costs to sell are included in the consolidated statement of earnings in the period in which they arise.

Goodwill

The Company determines an impairment based on the ability to recover the balance of goodwill from expected future discounted operating cash flows or the fair value of certain asset groups. This assessment requires making estimates and assumptions about the future cash flows, growth rates, market conditions, and discount rates which are inherently uncertain.

Intangible assets

Intangible assets primarily relate to customer contracts, brands, and customer based relationships that have been acquired through acquisitions. Management believes that brands do not have a fixed or determinable life and consequently brands are not amortized but are subject to annual impairment tests based on a comparison of the carrying amount to the estimated fair market value of the brands. The amortization periods related to those intangible assets with finite lives are based on the expected duration of the contracts and relationships acquired. These intangible assets will be tested for impairment when events or circumstances arise that indicates an impairment may exist.

Fair value of financial instruments

Accounts receivable, accounts payable and accrued liabilities, and bank indebtedness are reflected in the consolidated financial statements at carrying values which approximate fair value due to the short-term maturity of these instruments.

Long-term debt has a floating interest rate and its carrying value, as reflected in the consolidated financial statements, approximates fair value. Interest on long-term debt has been fixed through the use of an interest rate swap.

The Company purchases wine and other inventory items throughout the year. These purchases are made in United States dollars, Euros, and Australian dollars. The Company uses foreign exchange contracts as a hedge against changes in currency values. The Company's strategy is to hedge approximately 50% - 80% of its foreign exchange requirements throughout the fiscal year. The Company does not enter into foreign exchange contracts for trading or speculative purposes. Contracts are matched against forecasted purchases of inventory and other purchases in U.S. dollars, Euros, and Australian dollars.

All financial instruments are initially recorded at fair value which includes the Company's interest rate swap and foreign exchange contracts. The Company has not designated any of its derivative financial instruments as hedges and accordingly, changes to the fair value of these instruments are recorded through earnings each period as a net unrealized gain or loss on derivative financial instruments.

Employee Future Benefits

The Company provides defined benefit pension plans and other post-employment benefit plans to certain of its employees. The assumptions used to measure the accrued benefit obligations and benefit costs are: discount rate for measuring expenses 4.4% (2014 – 4.2%), discount rate for measuring liability 3.6% (2014 – 4.4%) and rate of compensation increase 3.0%. To measure the obligation for post-employment medical benefits, it was assumed that the health care inflation rate would be 5%. All actuarial gains and losses are recognized immediately in other comprehensive income ("OCI"). The corresponding change in shareholders' equity is adjusted to retained earnings for the period. The liability recorded represents the estimated deficit position of the plans.

Recently Adopted Accounting Pronouncements

In May 2013 the IASB issued IFRIC 21 – Levies. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Company was required to apply this interpretation retrospectively effective April 1, 2014. The standard did not have a significant impact on the Company.

Recently Issued Accounting Pronouncements

During December 2014, the IASB issued amendments to IAS 1 – Presentation of Financial Statements which clarify the concept of materiality as it applies to information disclosed in the financial statements. The amendments also provide guidance on the presentation of subtotals, the structure of the notes to the financial statements, and the disclosure of significant accounting policies. The Company is currently evaluating the potential impact of this standard.

During July 2014, the IASB issued the complete version of IFRS 9 – Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities. IFRS 9 will replace IAS 39 – Financial Instruments: Recognition and Measurement. In addition, IFRS 7 – Financial Instruments: Disclosures was amended to include additional disclosure requirements upon transition to IFRS 9. The mandatory effective date of applying these standards is for annual periods beginning on or after January 1, 2018. The standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used.

The standard requires that for financial liabilities measured at fair value, any changes in an entity's own credit risk are generally to be presented in other comprehensive income instead of net earnings. A new hedge accounting model is included in the standard as well as increased disclosure requirements about risk management activities for entities that apply hedge accounting. The Company is currently evaluating the potential impact of this standard.

During May 2014 the IASB issued amendments to IAS 16 – Property, Plant, and Equipment and IAS 41 – Agriculture which requires bearer plants to be classified as property, plant, and equipment and accounted for under IAS 16. The amended standards are effective for annual periods beginning on or after January 1, 2016. Early application of this standard is permitted. The Company is currently evaluating the impact of these amended standards. It is expected that grape vines controlled by the Company will be within the scope of IAS 16 – Property, plant, and equipment after the adoption of these amended standards.

During May 2014, the IASB issued IFRS 15 – Revenue from contracts with customers which supersedes IAS 18 – Revenue and IAS 11 – Construction Contracts. The standard details a revised model for the recognition of revenue from contracts with customers. The standard is effective for first interim periods within annual periods beginning on or after January 1, 2018. The Company is currently evaluating the potential impact of adopting this amended standard.

Evaluation of Disclosure Controls and Procedures and Internal Control over Financial Reporting

To comply with National Instrument 52-109 ("NI 52-109") the Company maintains documentation of the processes and internal controls that are in place within the organization.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information required to be disclosed by the Company in reports filed with or submitted to various securities regulators are recorded, processed, summarized, and reported within the time periods specified. This information is gathered and reported to the Company's management, including the President and Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), on a timely basis so that decisions can be made regarding the Company's disclosure to the public.

The Company's management, under the supervision of, and with the participation of the CEO and CFO, have designed and maintained the Company's disclosure controls and procedures as required in Canada by "National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings".

Internal Controls over Financial Reporting

Internal controls over financial reporting are procedures designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use, and transactions are properly recorded and reported. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance with respect to reliability of financial reporting and financial statement preparation.

Designing, establishing, and maintaining adequate internal controls over financial reporting are the responsibility of management. Internal controls over financial reporting is a process designed by, or under the supervision of senior management and effected by the Board of Directors to provide reasonable assurance regarding the reliability of financial reporting and preparation of the Company's financial statements in accordance with IFRS.

For the year ended March 31, 2015 there have been no material changes in the Company's internal controls over financial reporting or changes to disclosure controls and procedures that materially affected or were likely to affect, the Company's internal control systems.

As at June 17, 2015, the CEO and CFO of the Company have evaluated the effectiveness of the Company's internal controls over financial reporting. Based on these evaluations the CEO and CFO have concluded that the controls and procedures were operating effectively.

INDEPENDENT AUDITOR'S REPORT

June 17, 2015

To the Shareholders of Andrew Peller Limited

We have audited the accompanying consolidated financial statements of Andrew Peller Limited, which comprise the consolidated balance sheets as at March 31, 2015 and March 31, 2014 and the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended March 31, 2015 and March 31, 2014, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Andrew Peller Limited as at March 31, 2015 and March 31, 2014 and its financial performance and its cash flows for the years ended March 31, 2015 and March 31, 2014 in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Consolidated Balance Sheets
(in thousands of Canadian dollars)
For the years ended March 31, 2015 and March 31, 2014

	2015	2014
Assets		
Current assets		
Accounts receivable (note 20)	$ **25,616**	$ 22,693
Inventories (note 4)	**117,812**	120,751
Current portion of biological assets (note 6)	**1,129**	1,062
Prepaid expenses and other assets	**2,207**	1,381
Income taxes recoverable (note 14)	-	240
	146,764	146,127
Property, plant and equipment (note 5)	**90,955**	90,152
Biological assets (note 6)	**13,982**	14,054
Intangible assets (note 7)	**12,331**	13,209
Goodwill (note 8)	**37,473**	37,473
	$ **301,505**	$ 301,015
Liabilities		
Current liabilities		
Bank indebtedness (note 9)	$ **32,522**	$ 54,407
Accounts payable and accrued liabilities (note 10)	**36,712**	37,371
Dividends payable	**1,460**	1,391
Income taxes payable (note 14)	**1,902**	-
Current portion of derivative financial instruments (note 20)	**992**	1,002
Current portion of long-term debt (note 11)	**4,194**	7,392
	77,782	101,563
Long-term debt (note 11)	**52,269**	38,328
Long-term derivative financial instruments (note 20)	**1,447**	268
Post-employment benefit obligations (note 12)	**6,165**	6,132
Deferred income (note 13)	**506**	910
Deferred income taxes (note 14)	**15,971**	15,811
	154,140	163,012
Shareholders' Equity		
Capital stock (note 15)	**7,026**	7,026
Retained earnings	**140,339**	130,977
	147,365	138,003
	$ **301,505**	$ 301,015

Director **Director**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Earnings

For the years ended March 31, 2015 and March 31, 2014
(in thousands of Canadian dollars, except per share amounts)

	2015	2014
Sales	**$ 315,697**	$ 297,824
Cost of goods sold, excluding amortization (note 16)	**200,494**	189,842
Amortization of plant and equipment used in production	**5,116**	4,979
Gross profit	**110,087**	103,003
Selling and administration (note 16)	**79,685**	74,253
Amortization of equipment and intangible assets used in selling and administration	**3,435**	3,316
Interest	**4,847**	5,386
Restructuring costs (note 16)	**-**	1,409
Operating earnings	**22,120**	18,639
Net unrealized loss (gain) on derivative financial instruments (note 20)	**572**	(750)
Other expenses (note 16)	**51**	145
Earnings before income taxes	**21,497**	19,244
Provision for income taxes (note 14)		
Current	**5,379**	3,239
Deferred	**357**	1,984
	5,736	5,223
Net earnings for the year	**$ 15,761**	$ 14,021
Net earnings per share (notes 2 and 17)		
Basic and diluted		
Class A shares	**$ 1.13**	$ 1.01
Class B shares	**$ 0.99**	$ 0.88

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Comprehensive Income

For the years ended March 31, 2015 and March 2014
(in thousands of Canadian dollars)

	2015	2014
Net earnings for the year	**$ 15,761**	$ 14,021
Items that are never reclassified to net earnings		
Net actuarial losses on post-employment benefit plans (note 12)	**(757)**	(210)
Deferred income taxes (note 14)	**197**	54
Other comprehensive loss for the year	**(560)**	(156)
Net comprehensive income for the year	**$ 15,201**	$ 13,865

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

For the years ended March 31, 2015 and March 31, 2014
(in thousands of Canadian dollars)

	Capital stock	Retained earnings	Total shareholders' equity
Balance at April 1, 2013	$ 7,026	$ 122,675	$ 129,701
Net earnings for the year	-	14,021	14,021
Net actuarial losses (net of $54 deferred tax recovery) (note 12)	-	(156)	(156)
Net comprehensive income for the year	-	13,865	13,865
Dividends (Class A $0.400 per share, Class B $0.348 per share)	-	(5,563)	(5,563)
Balance at March 31, 2014	$ 7,026	$ 130,977	$ 138,003
Balance at April 1, 2014	$ 7,026	$ 130,977	$ 138,003
Net earnings for the year	-	15,761	15,761
Net actuarial losses (net of $197 deferred tax recovery) (note 12)	-	(560)	(560)
Net comprehensive income for the year	-	15,201	15,201
Dividends (Class A $0.420 per share, Class B $0.365 per share)	-	(5,839)	(5,839)
Balance at March 31, 2015	**$ 7,026**	**$ 140,339**	**$ 147,365**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

For the years ended March 31, 2015 and March 31, 2014
(in thousands of Canadian dollars)

	2015	2014
Cash provided by (used in)		
Operating activities		
Net earnings for the year	$ 15,761	$ 14,021
Adjustments for		
Loss on disposal of property and equipment and intangible assets	95	154
Amortization of plant, equipment and intangible assets	8,551	8,295
Interest expense	4,847	5,386
Provision for income taxes (note 14)	5,736	5,223
Revaluation of biological assets - net of insurance recovery	352	67
Net unrealized loss (gain) on derivative financial instruments (note 20)	572	(750)
Post-employment benefits	(724)	(489)
Deferred income	(404)	(404)
Interest paid	(4,476)	(4,904)
Income taxes paid	(3,237)	(3,211)
	27,073	23,388
Change in non-cash working capital items related to operations (note 19)	(1,236)	1,630
	25,837	25,018
Investing activities		
Proceeds from disposal of property, plant and equipment	10	18
Purchase of property, equipment and vine biological assets	(8,466)	(9,388)
Purchase of intangible assets	(369)	(1,797)
	(8,825)	(11,167)
Financing activities		
Decrease in bank indebtedness	(21,885)	(5,692)
Issuance of long-term debt	15,020	4,086
Repayment of long-term debt	(3,760)	(6,821)
Deferred financing costs	(617)	-
Dividends paid	(5,770)	(5,424)
	(17,012)	(13,851)
Cash - Beginning and end of year	$ -	$ -

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2015 and March 31, 2014

1 Nature of operations

Andrew Peller Limited (the Company) produces and markets wine and wine related products. The Company's products are produced and sold predominantly in Canada. The Company is incorporated under the Canada Business Corporations Act and is domiciled in Canada. The address of its head office is 697 South Service Road, Grimsby, Ontario, L3M 4E8.

2 Summary of significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared in compliance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements were approved by the Board of Directors for issue on June 17, 2015.

Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention, except for derivatives, which are measured at fair value and biological assets, which are measured at fair value less costs to sell.

Basis of consolidation

These consolidated financial statements include the accounts of the Company and all subsidiary companies. Subsidiaries are those entities the Company controls by having the power to govern their financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained by the Company and are de-consolidated from the date control ceases. Intercompany transactions, balances, income and expenses, and profits and losses are eliminated.

Revenue

The Company records a sale when: it has transferred the risks and rewards of ownership of the goods to the buyer; the Company has no continuing managerial involvement over the goods; it is probable the consideration will be received by the Company; and the amount of revenue and costs related to the transaction can be measured reliably. For transactions with provincial liquor boards, licensee retail stores and wine kit retailers, the Company's terms are primarily "FOB shipping point." Accordingly, sales are recorded when the product is shipped from the Company's distribution facility. Sales to consumers through retail stores, winery restaurants, and estate wineries are recorded when the product is purchased.

Excise taxes collected on behalf of the federal government, licensing fees, and levies paid on wine sold through the Company's independent retail stores in Ontario, product returns, breakage, and discounts provided to customers are deducted from gross revenue to arrive at sales.

Cost of goods sold

Cost of goods sold includes the cost of finished goods inventories sold during the year, inventory writedowns and revaluations of agricultural produce to fair value less costs to sell at the point of harvest.

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost is determined on an average cost basis. The Company utilizes a weighted average cost calculation to determine the value of ending inventory (bulk wine and finished goods). Average cost is determined separately for import wine and domestic wine and is calculated by varietal and vintage year.

Grapes produced from vineyards controlled by the Company that are part of inventories are measured at their fair value less costs to sell at the point of harvest.

The Company includes borrowing costs in the cost of certain wine inventories that require a substantial period of time to become ready for sale.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated amortization. Cost includes borrowing costs for assets that require a substantial period of time to become ready for use. Amortization of buildings, vineyard infrastructure and machinery and equipment is calculated on the straight-line basis in amounts sufficient to amortize the cost of buildings, vineyard infrastructure and machinery and equipment over their estimated useful lives as follows:

Buildings	40 years
Vineyard infrastructure	20 years
Machinery and equipment	5 to 20 years

Vineyard infrastructure amortization commences in the year the vineyard yields a crop that approximates 50% of expected annual production.

Biological assets

The Company measures biological assets, consisting of grape vines, at fair value less costs to sell. Agricultural produce, consisting of grapes grown on vineyards controlled by the Company, is measured at fair value less cost to sell at the point of harvest and becomes the basis for the cost of inventories after harvest.

Gains or losses arising from a change in fair value less costs to sell are included in the consolidated statement of earnings in the period in which they arise.

Intangible assets

Intangible assets include brands, customer contracts, customer lists, contract co-packaging arrangements, software and customer-based relationships. These intangible assets are recorded at their estimated fair value on the date of acquisition or at cost for regular way purchases.

	Amortization method	Useful life	Remaining useful life
Brands	n/a	indefinite	indefinite
Customers	straight-line	10 - 20 years	8 - 15 years
Contract packaging	straight-line	10 years	4 years
Software	straight-line	5 years	3 - 5 years
Other	straight-line	5 years	2 years

Brands have been assessed as having an indefinite life because the expected usage, period of control and other factors do not limit the life of these assets. Intangible assets with an indefinite life are not amortized but are tested for impairment at least annually or more frequently if events or circumstances indicate the asset might be impaired. To test for impairment the Company primarily compares a cash generating unit's (CGU) value in use, determined based on expected future discounted cash flows, to its carrying value. If necessary, a CGU's fair value is also considered. An impairment charge is recorded to the extent the carrying value of a CGU exceeds the greater of the CGU's fair value and its value in use. Management has determined there was no new impairment in intangible assets for the years ended March 31, 2015 and March 31, 2014.

Goodwill

Goodwill represents the cost of a business combination in excess of the fair values of the net tangible and identifiable intangible assets acquired. Goodwill is not amortized but is tested for impairment on an annual basis, or more frequently if circumstances indicate goodwill may be impaired. The Company assigns goodwill combined with other assets to a CGU based on certain regions and product lines, which is the lowest level at which the combined assets generate independent cash inflows. To test for impairment the Company primarily compares a CGU's value in use, determined based on expected future discounted cash flows, to its carrying value. If necessary, a CGU's fair value is also considered. An impairment charge is recorded to the extent the carrying value of a CGU exceeds the greater of the CGU's fair value and its value in use. An impairment loss in respect of goodwill cannot be reversed. Management has determined there is no impairment in goodwill for the years ended March 31, 2015 and March 31, 2014.

Post-employment benefits

The Company sponsors defined contribution pension plans, defined benefit pension plans, post-employment medical benefits plans, and other post-employment benefit plans for certain employees. Contributions to the defined contribution pension plans are recognized as an expense as services are rendered by employees. The costs of the defined benefit plans, the post-employment medical benefit plans, and other post-employment benefit plans are actuarially determined and include management’s best estimate of expected plan investment performance, the interest rate on the plan obligation, salary escalation, expected retirement ages, and medical cost escalation. The liability recognized in the consolidated balance sheets in respect of these plans is the present value of the defined benefit obligation at the end of the reporting period as determined by the Company’s actuary less the fair value of plan assets adjusted for the unamortized portion of negative past service credits. The current service cost, amortization of past service credits, and the interest cost net of the expected return on plan assets are recognized in earnings in the period they arise. Adjustments arising from actuarially determined gains or losses are recognized in other comprehensive income in the period in which they arise. The corresponding change in shareholders’ equity is adjusted to retained earnings for the year.

Deferred income

Advance payments received for use of the Company’s assets are initially recorded in deferred income. The income is recognized on a straight-line basis in net earnings over the period of use.

Financial instruments and hedge accounting

The Company classifies its financial instruments into the following categories: loans and receivables, liabilities at amortized cost, available-for-sale investments, and financial assets and liabilities at fair value through profit or loss.

The Company has chosen not to apply hedge accounting to any of its derivative financial instruments. As a result of this policy choice, these hedging instruments are recorded initially and subsequently at fair value and the change in the fair value is recorded directly in the consolidated statements of earnings.

The Company classifies accounts payable and accrued liabilities, dividends payable, bank indebtedness, and long-term debt as liabilities at amortized cost. Accounts payable and accrued liabilities and dividends payable are initially measured at the amount to be paid, which approximates fair value because of the short-term nature of these liabilities. Subsequently, they are measured at amortized cost. Bank indebtedness and long-term debt are measured initially at fair value, net of transaction costs incurred and subsequently at amortized costs using the effective interest method.

Accounts receivable are classified as loans and receivables. Accounts receivable are primarily amounts due from customers from the sale of goods or the rendering of services. The Company maintains an allowance for doubtful accounts to record an estimate of credit losses. When no recovery of an amount owing is possible, the account receivable is reduced directly.

Transaction costs related to long-term debt are netted against the carrying value of the liability and are then amortized over the expected life of the instrument using the effective interest method. The Company recognizes financial instruments when it becomes a party to the terms of the instrument and has elected to use “trade date” accounting for regular way purchases and sales of financial assets.

Embedded derivatives (elements of contracts whose cash flows move independently from the host contract similar to a stand-alone derivative) are required to be separated and measured at fair values if certain criteria are met. Management reviewed its contracts and determined the Company does not currently have any embedded derivatives in these contracts that require separate accounting and disclosure.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the consolidated statements of earnings on a straight-line basis over the period the asset is used under the lease. Leases under which the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Payments on finance leases are allocated to the liability and expense so as to recognize a constant rate of interest on the remaining balance of the liability. Assets acquired under finance leases are amortized over their useful lives.

Impairment of non-financial assets

The Company reviews long-lived assets and definite life intangible assets for impairment when events or circumstances indicate an asset may be impaired. Assets are assigned to a CGU based on the lowest level at which they generate independent cash inflows. When there is an indication of impairment, an impairment charge is recorded to the extent the carrying value of a CGU exceeds the greater of the CGU’s fair value less costs to sell and its value in use determined by discounting expected cash flows (recoverable amount). An impairment loss is reversed if a CGU’s recoverable amount increases to the extent that the related assets’ carrying amounts are no larger than the amount that would have been determined, net of amortization, had no impairment loss been recorded.

Net earnings per share

Basic net earnings per share have been calculated using the weighted average number of Class A and Class B shares outstanding during the year. Diluted net earnings per share have been calculated by considering the impact of any potential ordinary shares that are dilutive on the two classes of shares when considered together.

Dividends

Dividends on Class A and Class B shares are recognized in the period in which they are formally declared by the Board of Directors.

Segmented information

The Company produces and markets wine products in Canada. A significant portion of the Company's sales are made to the liquor control boards in each province in which the Company transacts business. Management has concluded that based on the type of products sold and the fact that its customers are similar in nature, the Company operates in a single operating segment. In addition, a substantial portion of the Company's sales are made in Canada. As a result, management has concluded the Company operates in one geographic segment.

Income taxes

Current income tax is the expected amount of tax payable or recoverable on taxable income or loss during the period. Current income tax may also include adjustments to taxes payable or recoverable in respect of previous periods.

The Company accounts for deferred income taxes based on temporary differences, which are the differences between the carrying amount of an asset or liability and its tax base. Deferred income taxes are provided for all temporary differences between the carrying amount and tax bases of assets and liabilities, except for those arising from the initial recognition of goodwill or for those arising from the initial recognition of an asset or liability in a transaction that is not a business combination and has no impact on earnings or taxable income or loss. Deferred income tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply to taxable income in the years in which temporary differences are expected to be recovered or settled. The deferred income tax provision (recovery) recorded in net earnings and other comprehensive income represents the change during the year in deferred income tax assets and deferred income tax liabilities.

Contingencies

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims. Management believes adequate provisions have been recorded in the accounts where required. Although it is not possible to accurately estimate the extent of potential claims, if any, management believes the ultimate resolution of such contingencies would not have a material adverse effect on the financial position of the Company.

Comprehensive income

Comprehensive income is comprised of net earnings and other comprehensive loss (OCI). OCI represents the change in equity for a period that arises from transactions that are required to be or are elected to be recognized outside of net earnings. The Company has chosen to record actuarial gains and losses on defined benefit pension plans and other post-employment benefit plans in OCI in the period incurred.

Equity

The Company separately presents changes in equity related to capital stock and retained earnings in the consolidated statements of changes in equity.

Recently adopted accounting pronouncements

In May 2013, the IASB issued IFRIC 21, Levies. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The Company was required to apply this interpretation retrospectively effective April 1, 2014. The standard did not have a significant impact on the Company.

Recently issued accounting pronouncements

During December 2014, the IASB issued amendments to IAS 1, Presentation of Financial Statements, which clarify the concept of materiality as it applies to information disclosed in the financial statements. The amendments also provide guidance on the presentation of subtotals, the structure of the notes to the financial statements, and the disclosure of significant accounting policies. The Company is currently evaluating the potential impact of this standard.

During July 2014, the IASB issued the complete version of IFRS 9, Financial Instruments - Classification and Measurement of Financial Assets and Financial Liabilities. IFRS 9 will replace IAS 39, Financial Instruments: Recognition and Measurement. In addition, IFRS 7, Financial Instruments - Disclosures, was amended to include additional disclosure requirements on transition to IFRS 9. The mandatory effective date of applying these standards is for annual periods beginning on or after January 1, 2018. The standard uses a single approach to determine whether a financial asset is measured at amortized cost or fair value. The approach is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used. The standard requires that for financial liabilities measured at fair value, any changes in an entity's own credit risk are generally to be presented in other comprehensive income instead of net earnings. A new hedge accounting model is included in the standard as well as increased disclosure requirements about risk management activities for entities that apply hedge accounting. The Company is currently evaluating the potential impact of this standard.

During May 2014, the IASB issued amendments to IAS 16, Property, Plant, and Equipment, and IAS 41, Agriculture, which requires bearer plants to be classified as property, plant, and equipment and accounted for under IAS 16. The amended standards are effective for annual periods beginning on or after January 1, 2016. Early application of this standard is permitted. The Company is currently evaluating the impact of these amended standards.

During May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which supersedes IAS 18, Revenue, and IAS 11, Construction Contracts. The standard details a revised model for the recognition of revenue from contracts with customers. The standard is effective for first interim periods within annual periods beginning on or after January 1, 2018. The Company is currently evaluating the potential impact of adopting this amended standard.

3 Critical accounting estimates and judgments

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, the reported amounts of revenues and expenses during the reporting period and the extent of and the reported amounts in disclosures. Actual results may vary from current estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the period in which they change. Specific areas of uncertainty include but are not limited to:

Impairment of goodwill

Testing goodwill for impairment at least annually involves estimating the recoverable amount of the CGUs to which goodwill is allocated. This requires making assumptions about future cash flows, growth rates, market conditions and discount rates, which are inherently uncertain. Actual amounts may vary from these assumptions and cause significant adjustments.

Post-employment benefits

Measuring the liability for post-employment benefits uses assumptions for the discount rates, increases in compensation, increases in medical costs and timing of the payment of benefits. Actual amounts may vary from these assumptions and cause significant adjustments.

Fair value of biological assets

Determining the fair value of grape vines involves making assumptions about how market participants assign the value of a vineyard between vines, land and other assets. Changes in the fair value of vines may occur as a result of changes in numerous factors, including, vine health, and expected future yields.

To estimate the fair value of controlled vines planted on leased land, discounted cash flows over the estimated remaining life of vines or the remaining lease term, whichever is shorter, were used. The fair value of vines on leased land reduces to $nil as the lease nears its expiration date. Assumptions used include the discount rate, expected yields, grape price trends, and annual growing cost trends.

To estimate the fair value of vines in the middle and later stages of development, the estimated fair value of mature vines was reduced by the net discounted cash outflows necessary to bring the vines to a fully developed state.

Actual amounts may vary from these assumptions and cause significant adjustments.

Fair value of grapes at the point of harvest

Where possible, the fair value of grapes at the point of harvest is determined by reference to local market prices for grapes of a similar quality and the same varietal. For grapes for which local market prices are not readily available, the average price of similar grapes is used. Actual amounts may vary from these assumptions and cause significant adjustments.

4 Inventories

		2015		2014
Packaging materials and supplies	**$**	**8,726**	$	8,493
Bulk wine		**63,777**		70,445
Finished goods		**45,309**		41,813
	$	**117,812**	$	120,751
Interest included in the cost of inventories	**$**	**1,191**	$	980

Inventory writedowns recognized as an expense amounted to $1,700 (2014 - $1,422).

The cost of inventories recognized as an expense and included in cost of goods sold, excluding amortization was $198,794 (2014 - $188,420).

5 Property, plant and equipment

	Land	Vineyard land and infrastructure	Buildings	Machinery and equipment	Total
At March 31, 2013					
Cost	$ 4,777	$ 25,521	$ 42,914	$ 94,981	$ 168,193
Accumulated amortization	-	(4,901)	(14,718)	(59,733)	(79,352)
Net carrying amount	4,777	20,620	28,196	35,248	88,841
Year ended March 31, 2014					
Additions	-	132	119	8,397	8,648
Disposals	-	-	-	(90)	(90)
Amortization	-	(573)	(1,101)	(5,573)	(7,247)
Closing net carrying amount	$ 4,777	$ 20,179	$ 27,214	$ 37,982	$ 90,152
At March 31, 2014					
Cost	$ 4,777	$ 25,653	$ 43,033	$ 102,352	$ 175,815
Accumulated amortization	-	(5,474)	(15,819)	(64,370)	(85,663)
Net carrying amount	4,777	20,179	27,214	37,982	90,152
Year ended March 31, 2015					
Additions	**39**	**69**	**447**	**7,606**	**8,161**
Disposals	-	-	-	**(105)**	**(105)**
Amortization	-	**(573)**	**(1,116)**	**(5,564)**	**(7,253)**
Closing net carrying amount	$ **4,816**	**$ 19,675**	**$ 26,545**	**$ 39,919**	**$ 90,955**
At March 31, 2015					
Cost	$ **4,816**	**$ 25,722**	**$ 43,480**	**$ 108,297**	**$ 182,315**
Accumulated amortization	-	**(6,047)**	**(16,935)**	**(68,378)**	**(91,360)**
Net carrying amount	$ **4,816**	**$ 19,675**	**$ 26,545**	**$ 39,919**	**$ 90,955**

Included in machinery and equipment are assets amounting to $199 (2014 - $1,554) that are under development and are not being amortized.

Contractual commitments to purchase property, plant and equipment were $477 as at March 31, 2015 (2014 - $nil).

Included in machinery and equipment are assets with a net carrying amount of $184 (2014 - $220) that were purchased under a finance lease.

6 Biological assets

Biological assets consist of grape vines and grapes prior to harvest that are controlled by the Company. The Company owns and leases land in Ontario and British Columbia to grow grapes in order to secure a supply of quality grapes for the making of wine.

During the year ended March 31, 2015, the Company harvested grapes valued at $5,374 (2014 - $5,885).

The changes in the carrying amount of biological assets are as follows:

	2015	2014
Carrying amount - Beginning of year	$ 15,116	$ 14,343
Net increase in fair value less costs to sell due to biological transformation	5,441	6,009
Transferred to inventory on harvest	(5,374)	(5,885)
Loss on revaluation of vines included in other expense	(352)	(67)
Net (loss) gain	(285)	57
	14,831	14,400
Purchase of vines	280	716
Carrying amount - End of year	15,111	15,116
Current portion of biological assets	(1,129)	(1,062)
Biological assets	$ 13,982	$ 14,054

The fair value measurements of the Company’s biological assets are classified in the hierarchy below according to the significance of the inputs used in making the fair value measurements.

	2015		
	Quoted prices in active markets for identical assets (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**
Asset			
Vines on owned property	$ -	$ -	$ **7,708**
Vines on leased property	-	-	**6,274**
	$ -	$ -	$ **13,982**

	2014		
	Quoted prices in active markets for identical assets (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**
Asset			
Vines on owned property	$ -	$ -	$ 7,946
Vines on leased property	-	-	6,108
	$ -	$ -	$ 14,054

The fair value of vines on owned property is determined based on the estimated replacement cost to develop a vine to a fully producing state. The weighted average replacement cost used was $21 per acre. This does not include the cost of tangible assets such as trellises and posts or the cost of preparing the land, which are included in property, plant and equipment.

The significant assumptions used to determine the fair value of vines planted on leased land are as follows:

	2015	**2014**
Annual yield	**3 - 5 tonnes per acre**	3 - 5 tonnes per acre
Discount rate	**10 - 12%**	10 - 12%
Inflation rate	**2.0%**	2.5%
Annual vineyard operating costs	**$7 to $8 per acre**	$7 to $8 per acre

A 1% increase in the discount rate would lead to a decrease in the fair value less costs to sell of vines on leased land of approximately $484. A 1% decrease in the discount rate would lead to a corresponding increase of approximately $547.

The Company is exposed to financial risk because of the long period of time between the cash outflow required to plant grape vines, cultivate vineyards, and harvest grapes and the cash inflow from selling wine and related products from the harvested grapes.

Substantially all of the grapes from owned and leased vineyards are used in the Company's winemaking processes. Owned and leased vineyards, in combination with supply contracts with grape growers, are used to secure a supply of domestic grapes. These strategies reduce the financial risks associated with changes in grape prices.

7 Intangible assets

	Brands - indefinite life	Customers	Contract packaging	Software	Other	Total
At March 31, 2013						
Cost	$ 4,175	$ 11,147	$ 1,100	$ 81	$ 1,898	$ 18,401
Accumulated amortization and impairment	(200)	(3,804)	(536)	-	(1,255)	(5,795)
Net carrying amount	3,975	7,343	564	81	643	12,606
Year ended March 31, 2014						
Additions	-	-	-	1,632	100	1,732
Disposals	-	-	-	-	(81)	(81)
Amortization	-	(652)	(107)	(157)	(132)	(1,048)
Closing net carrying amount	$ 3,975	$ 6,691	$ 457	$ 1,556	$ 530	$ 13,209
At March 31, 2014						
Cost	$ 4,175	$ 11,147	$ 1,100	$ 1,713	$ 1,917	$ 20,052
Accumulated amortization and impairment	(200)	(4,456)	(643)	(157)	(1,387)	(6,843)
Net carrying amount	3,975	6,691	457	1,556	530	13,209
Year ended March 31, 2015						
Additions	-	-	-	**420**	-	**420**
Amortization	-	**(700)**	**(110)**	**(356)**	**(132)**	**(1,298)**
Closing net carrying amount	**$ 3,975**	**$ 5,991**	**$ 347**	**$ 1,620**	**$ 398**	**$ 12,331**
At March 31, 2015						
Cost	**$ 4,175**	**$ 11,147**	**$ 1,100**	**$ 2,133**	**$ 1,917**	**$ 20,472**
Accumulated amortization and impairment	**(200)**	**(5,156)**	**(753)**	**(513)**	**(1,519)**	**(8,141)**
Net carrying amount	**$ 3,975**	**$ 5,991**	**$ 347**	**$ 1,620**	**$ 398**	**$ 12,331**

8 Goodwill

In order to test goodwill for impairment, the Company allocates the carrying value of goodwill to CGUs based on the lowest level that goodwill is monitored for internal management purposes. The aggregate carrying amount of goodwill allocated to each unit is as follows:

		2015		2014
Ontario and eastern Canadian wine	$	**3,134**	$	3,134
Western Canadian wine		**10,530**		10,530
Personal winemaking products		**23,809**		23,809
	$	**37,473**	$	37,473

The Company determined the recoverable amount of the related CGUs by estimating their value in use. Key assumptions used are:

	2015	2014
Pre-tax discount rate	**12%**	12%
Period of projected cash flows	**5 years**	5 years
Growth rate beyond period of projected cash flows	**4%**	4%

The Company uses past experience and current expectations about future performance in projecting cash flows, which are based on financial budgets for five years. For the period after five years, the Company projects cash flows using an assumed growth rate, which is based on expectations about long-term economic growth in Canada and any known industry specific factors that may influence long-term growth in the Canadian wine industry. The discount rate is estimated by referring to external sources of information about the cost of capital and the leverage of companies that operate in a similar industry to the Company and that are of similar size. The rate determined is then adjusted to a pre-tax basis.

9 Bank indebtedness

Significant terms of the Company’s operating loan facility are summarized below. The floating rates are stated in relation to the one to six-month Canadian Dealer Offered Rate (CDOR).

		2015		2014
Bank indebtedness	$	**32,522**	$	54,407
Significant terms				
Committed until		**April 28, 2019**		September 16, 2015
Borrowing limit		**$90,000**		$80,000
Interest rate		**CDOR + 1.50%**		CDOR + 1.75%
Unused amount		**$55,400**		$28,639

10 Accounts payable and accrued liabilities

		2015		2014
Trade payables	$	**26,248**	$	28,664
Accrued liabilities		**9,976**		7,802
Restructuring provision		**84**		501
Deferred income (note 13)		**404**		404
	$	**36,712**	$	37,371

11 Long-term debt

		2015		2014
Term loan	$	**56,333**	$	44,980
Other		**531**		637
Finance lease obligation		**88**		220
		56,952		45,837
Less: Financing costs		**489**		117
		56,463		45,720
Less: Current portion		**4,194**		7,392
	$	**52,269**	$	38,328

On April 28, 2014, the Company amended its debt facilities including the term loan. On May 14, 2014, the Company entered into a new interest rate swap in order to fix the interest rate on the entire amount outstanding on the term loan.

The significant terms of the term loans were as follows:

		2015		2014
Maturity date		**April 28, 2019**		September 16, 2015
Monthly payment until maturity	$	**333**	$	598
Amount bearing fixed interest as a result of an interest rate swap		**56,333**		36,667
Amount bearing floating interest		**-**		8,313
Fixed interest rate until August 31, 2015		**4.68%**		5.73%
Fixed interest rate from September 1, 2015 to September 19, 2019		**3.66%**		n/a
Floating interest rate		**n/a**		CDOR + 1.75%

The Company also negotiated a $15,000 facility, which is committed until April 28, 2019 and can be drawn down for the purpose of making capital expenditures.

The Company and its subsidiaries have provided their assets as security for this loan.

Interest expense on long-term debt during the year was $2,945 (2014 - $2,802).

12 Post-employment benefits

Defined contribution plans

The total expenses for defined contribution savings plans were $1,388 (2014 - $1,291).

Defined benefit plans

The Company has funded defined benefit pension plans. The Company also has an unfunded post-retirement medical benefits plan for certain employees and provides a monthly wine allowance to retired employees, which are collectively referred to as other post-employment benefits.

Nature

The Company's defined benefit pension plans pay benefits based on a percentage of final average salary. There are two defined benefit pension plans in British Columbia with members who continue to accrue benefits. New employees are no longer entitled to accrue benefits under these defined benefit pension plans. There is one defined benefit pension plan in Ontario and no further benefits accrue to the members of this plan. All members of the defined benefit pension plan in Ontario have retired. The Company is responsible for administering these pension plans and determining investment policies. A committee of the Company's Board of Directors is responsible for overseeing the Company's defined benefit pension plans.

Regulatory information

The defined benefit pension plans are governed by the Pension Benefits Standards Act in British Columbia and the Pension Benefits Act in Ontario. An appointed actuary prepares a valuation at least every three years for each of the plans. These valuations determine the Company's minimum contributions. The minimum contributions are primarily based on the normal going concern cost, the funding deficit amortized over 15 years, and the solvency deficit amortized over five years. The solvency deficit is calculated assuming the plan is wound up on the effective date of the valuation. Contributions could be reduced in certain instances via a funding holiday if requirements of the relevant regulations are met, which normally requires the plan to have a surplus above certain threshold levels.

Risks

The defined benefit plan assets are invested in mutual funds. The investment mix for each plan is chosen with the objective that sufficient assets will be available to pay benefits as they come due and to achieve a reasonable return at an acceptable level of risk to stakeholders. The defined benefit plans subject the Company to market, interest rate, currency, price, credit, liquidity and longevity risks, which are typical of such plans. The most significant of these risks is that the expense and cash contributions related to these plans depend on the discount rate used to measure the liability to pay future benefits and the market performance of the plan assets set aside to pay these benefits. A decline in long-term interest rates or in asset values could increase the Company's costs related to funding the deficit in these plans.

Amounts pertaining to defined benefit plans are as follows:

			2015
	Pension benefits	Other post-employment benefits	Total
Plan assets			
Fair value - Beginning of year	$ 19,010	$ -	$ 19,010
Return on plan assets excluding amounts in interest income	763	-	763
Interest income	846	-	846
Company's contributions	1,521	111	1,632
Employees' contributions	3	-	3
Benefits paid	(1,113)	(111)	(1,224)
Fair value - End of year	$ 21,030	$ -	$ 21,030
Plan obligations			
Accrued benefit obligations - Beginning of year	$ 22,620	$ 2,522	$ 25,142
Employees' contributions	3	-	3
Total current service cost	570	75	645
Interest cost	997	112	1,109
Benefits paid	(1,113)	(111)	(1,224)
Remeasurements			
Experience gain	(79)	-	(79)
Loss from change in financial assumptions	1,343	256	1,599
Accrued benefit obligations - End of year	$ 24,341	$ 2,854	$ 27,195
Post-employment benefit obligations	$ 3,311	$ 2,854	$ 6,165

			2015
	Pension benefits	Other post-employment benefits	Total
Benefit plan expense			
Current service cost	$ 570	$ 75	$ 645
Net interest cost on defined benefit liability	151	112	263
Past service cost recorded in other expenses	-	-	-
Net benefit plan expense	$ 721	$ 187	$ 908
Amount recognized in other comprehensive income			
Net actuarial loss	$ 501	$ 256	$ 757
Expected contributions for the year ending March 31, 2016	$ 1,463	$ 127	$ 1,590
Weighted average duration of the defined benefit obligations in years	13.5	12.6	13.4

	2014		
	Pension benefits	Other post-employment benefits	Total
Plan assets			
Fair value - Beginning of year	$ 17,536	$ -	$ 17,536
Return on plan assets excluding amounts in interest income	216		216
Interest income	747	-	747
Company's contributions	1,660	90	1,750
Employees' contributions	3	-	3
Benefits paid	(1,152)	(90)	(1,242)
Fair value - End of year	$ 19,010	$ -	$ 19,010
Plan obligations			
Accrued benefit obligations - Beginning of year	$ 21,862	$ 2,085	$ 23,947
Employees' contributions	3	-	3
Total current service cost	586	74	660
Interest cost	919	102	1,021
Benefits paid	(1,152)	(90)	(1,242)
Past service cost	-	326	326
Remeasurements			
Experience loss	50	-	50
Loss from change in demographic assumptions	923	83	1,006
Gain from change in financial assumptions	(571)	(58)	(629)
Accrued benefit obligations - End of year	$ 22,620	$ 2,522	$ 25,142
Post-employment benefit obligations	$ 3,610	$ 2,522	$ 6,132

	2014		
	Pension benefits	Other post-employment benefits	Total
Benefit plan expense			
Current service cost	$ 586	$ 74	$ 660
Net interest cost on defined benefit liability	172	102	274
Past service cost recorded in other expenses	-	326	326
Net benefit plan expense	$ 758	$ 502	$ 1,260
Amount recognized in other comprehensive income			
Net actuarial loss	$ 187	$ 23	$ 210
Expected contributions for the year ending March 31, 2015	$ 1,597	$ 95	$ 1,692
Weighted average duration of the defined benefit obligations in years	13.1	11.8	13.0

The significant actuarial assumptions adopted in measuring the Company's accrued benefit obligations and benefits costs are as follows:

	2015	2014
Discount rate for expenses	**4.4%**	4.2%
Discount rate for obligations	**3.6%**	4.4%
Rate of compensation increase	**3.0%**	4.0%
Rate of medical cost increases	**5%**	6% decreasing to 5% after 1 year
Retirement age	**60 - 65 years**	60 - 65 years
Inflation rate	**2.0%**	2.5%
Mortality tables	**CPM-B 2014 Private table**	CPM-B 2014 Private table

The following table outlines the impact of a reasonable change in significant assumptions assuming all other assumptions are held constant. Changes in numerous assumptions may occur at the same time, which could increase or decrease the impact. With respect to a 1% increase or decrease in the inflation rate, the analysis excludes any impact this would have on the discount rate, medical cost trend rates and the rate of compensation increase.

	2015		2014	
	Pension benefits	**Other post-employment benefits**	**Pension benefits**	**Other post-employment benefits**
Increase (decrease) in the post-employment benefit obligations				
1% increase in the discount rate	**$ (2,915)**	**$ (275)**	$ (2,569)	$ (269)
1% decrease in the discount rate	**3,670**	**444**	3,368	324
1% increase in the rate of compensation increase	**1,200**	**12**	1,027	11
1% decrease in the rate of compensation increase	**(1,048)**	**(11)**	(868)	(10)
1% increase in the inflation rate	**434**	**-**	437	-
1% decrease in the inflation rate	**(393)**	**-**	(396)	-

At March 31, 2015, the accumulated actuarial losses recognized in OCI were $4,726 (2014 - $3,969).

Plan assets

The plan assets consist of the following:

	2015		2014	
Mutual funds				
Fixed income	**$ 15,192**	**72%**	$ 13,723	72%
Equity	**5,838**	**28%**	5,287	28%
	$ 21,030	**100%**	$ 19,010	100%

13 Deferred income

During the year ended March 31, 2013, the Company received an expropriation notice that its idle facility in Port Moody, British Columbia will be used, on a temporary basis, while construction of a rapid transit project takes place. Advance payments amounting to $2,021 were received for the temporary use of the property. The amount received was initially recorded in deferred income and is being reported as other income over the five-year term of the expropriation.

		2015		2014
Deferred income	**$**	**910**	$	1,314
Less: Current portion		**404**		404
	$	**506**	$	910

14 Income taxes

		2015		2014
Current tax on earnings for the year	**$**	**5,425**	$	3,910
Adjustments in respect of prior years		**(46)**		(671)
Provision for current income taxes		**5,379**		3,239
Change in temporary differences		**383**		1,791
Impact of change in tax rate		**(26)**		193
Provision for deferred income taxes		**357**		1,984
Total provision for income taxes	**$**	**5,736**	$	5,223

The Company's income tax expense consists of the following:

		2015		2014
Provision for income taxes at blended statutory rate of 25.95% (2014 - 26.30%)	**$**	**5,578**	$	5,062
Permanent differences and non-deductible items		**228**		385
Future income tax rate changes		**(26)**		193
Other		**(44)**		(417)
	$	**5,736**	$	5,223

The decrease in the blended statutory rate applicable to the Company is primarily a result of higher income being taxed at the rates of lower tax jurisdictions.

The movement of the deferred income tax account is as follows:

	2015	2014
At beginning of year	**$ 15,811**	$ 13,881
Provision for deferred income taxes in net earnings	**357**	1,984
Recovery of deferred income taxes in other comprehensive earnings	**(197)**	(54)
At end of year	**$ 15,971**	$ 15,811

The significant temporary differences giving rise to the deferred income tax liability are comprised of the following:

Deferred income tax liability

	Accelerated tax depreciation and deductions on property, plant and equipment	Biological assets	Accelerated tax deductions on intangible assets	Tax deductions on goodwill	Total
March 31, 2013	$ 8,030	$ 3,069	$ 2,474	$ 2,959	$ 16,532
Provision in net earnings	877	263	314	153	1,607
March 31, 2014	8,907	3,332	2,788	3,112	18,139
Provision in net earnings	562	(2)	(218)	(19)	323
March 31, 2015	**$ 9,469**	**$ 3,330**	**$ 2,570**	**$ 3,093**	**$ 18,462**

Deferred income tax asset

	Fair value change on derivatives	Post-employment benefits	Other	Total
March 31, 2013	$ (496)	$ (1,652)	$ (503)	$ (2,651)
Provision in net earnings	190	104	83	377
Recovery in other comprehensive income	-	(54)	-	(54)
March 31, 2014	(306)	(1,602)	(420)	(2,328)
(Recovery) provision in net earnings	(149)	189	(6)	34
Recovery in other comprehensive income	-	(197)	-	(197)
March 31, 2015	**$ (455)**	**$ (1,610)**	**$ (426)**	**$ (2,491)**

15 Capital stock

Authorized

Unlimited number of Class A shares, non-voting
Unlimited number of Class B shares, voting

Issued

	2015			2014		
	Number of shares		**Amount**	**Number of shares**		**Amount**
Class A shares, non-voting	**11,293,829**	**$**	**6,626**	11,293,829	$	6,626
Class B shares, voting	**3,004,041**		**400**	3,004,041		400
	14,297,870	**$**	**7,026**	14,297,870	$	7,026

All of the issued Class A and Class B shares are fully paid and have no par value.

Class A shares are non-voting and are entitled to a dividend in an amount equal to 115% of any dividend paid or declared on Class B shares. Class B shares are voting and convertible into Class A shares on a one-for-one basis.

Quarterly dividends of $0.1050 (previously $0.1000) per Class A share and $0.0913 (previously $0.0870) per Class B share were approved by the Board of Directors on June 4, 2014 and are formally declared in each quarter.

The authorized share capital of the Company also consists of an unlimited number of preference shares, issuable in one or more series, of which 33,315 are designated as preference shares, Series A. As at March 31, 2015 and 2014, there were no preference shares issued or outstanding.

Stock purchase plan

The Company’s full-time salaried, certain hourly employees and directors participate in a Company-sponsored stock purchase plan. Under the terms of the plan, employees can purchase a certain number of Class A shares on an annual basis. Employees are required to pay 67% of the market price per Class A share. Directors can purchase 750 Class A shares and are required to pay 50% of the cost. The Company is responsible for the remainder of the cost and, during 2015, expensed $259 (2014 - $247) related to this program. Officers of the Company also participate in an Equity Incentive Program, where Class A shares of the Company are purchased on their behalf from the open market.

16 Nature of expenses

The nature of the expenses included in selling and administration and cost of goods sold, excluding amortization are as follows:

		2015		2014
Raw materials and consumables	$	**162,336**	$	152,493
Employee compensation and benefits		**57,114**		53,983
Advertising, promotion and distribution		**28,518**		27,052
Occupancy		**10,723**		10,471
Repairs and maintenance		**5,740**		5,732
Other external charges		**15,748**		14,364
	$	**280,179**	$	264,095

Restructuring costs amounting to $nil (2014 - $1,409) were recorded during the year ended March 31, 2015. The costs relate to termination payments and benefits for restructuring of the distribution, marketing, and administration functions of the Company's personal winemaking product division.

Other (income) expenses are as follows:

		2015		2014
Revaluation of vines (a)	$	**352**	$	67
Ongoing maintenance costs related to Port Moody winery facility (b)		**141**		156
Income related to Port Moody Winery facility (c)		**(442)**		(404)
Past service costs (d)		**-**		326
	$	**51**	$	145

a) Changes in the fair value less costs to sell of vines included in biological assets are included in the revaluation of vine biological assets shown above.

b) During fiscal 2006, the Company closed its Port Moody winery facility and transferred production to its winery operations in Kelowna, British Columbia. Effective July 1, 2012, the property was expropriated for a five-year period. The cost of maintaining this idle facility and costs associated with its expropriation amounted to $153 in 2015 (2014 - $156).

c) Income amounting to $442 (2014 - $404) was recorded related to the Company's idle Port Moody property related to expropriation notices received by the Company.

d) The Company recorded $nil (2014 - $326) expense for past service costs as a result of changes to retirement benefits in a new collective bargaining agreement.

17 Net earnings per share

	2015		
	Class A	**Class B**	**Total**
Net earnings attributed for the year - basic and diluted	**$ 12,800**	**$ 2,961**	**$ 15,761**
Weighted average number of shares outstanding - basic and diluted	**11,293,829**	**3,004,041**	
Net earnings per share - basic and diluted	**$ 1.13**	**$ 0.99**	

	2014		
	Class A	**Class B**	**Total**
Net earnings attributed for the year - basic and diluted	$ 11,388	$ 2,633	$ 14,021
Weighted average number of shares outstanding - basic and diluted	11,293,829	3,004,041	
Net earnings per share - basic and diluted	$ 1.01	$ 0.88	

18 Commitments

In certain instances, the Company leases land for the purpose of operating vineyards. The terms of the land leases are 30 and 32 years, which expire in 2036 and 2029, respectively. Under the terms of one land lease, the Company has the option to agree in advance to purchase any grapes grown on the property at market value for five or more years after the termination of the lease. The Company also has a right of first refusal to purchase the land under both land leases. The terms of such a purchase would be negotiated based on market conditions existing at the time of the purchase.

The Company leases various storage facilities, offices, and retail locations. The remaining terms of these leases range between one and ten years. The Company also leases various equipment and vehicles with remaining lease terms between one and five years. In many cases, the Company has renewal options for fair market rental prices at the time of renewal.

The Company's minimum lease payments as at March 31, 2015 under long-term non-cancellable leases are outlined in note 20 along with its other contractual obligations.

In 2015, minimum lease payments of $4,799 (2014 - $4,742) were recognized as an expense.

19 Non-cash working capital items

The change in non-cash working capital items related to operations is comprised of the change in the following items:

		2015		**2014**
Accounts receivable	**$**	**(2,923)**	$	2,791
Inventories and current portion of biological assets		**2,872**		(4,944)
Prepaid expenses and other assets		**(229)**		(110)
Accounts payable and accrued liabilities		**(956)**		3,893
	$	**(1,236)**	$	1,630

20 Financial instruments

Classification of financial instruments

The classification and measurement of the financial assets and liabilities, as well as their carrying amounts and fair values are as follows:

				2015		
Assets/liabilities	**Category**	**Measurement**		**Carrying amount**		**Fair value**
Accounts receivable	Loans and receivables	Amortized cost	$	**25,616**	$	**25,616**
Bank indebtedness	Other liabilities	Amortized cost		**32,522**		**32,522**
Accounts payable and accrued liabilities	Other liabilities	Amortized cost		**36,712**		**36,712**
Dividends payable	Other liabilities	Amortized cost		**1,460**		**1,460**
Long-term debt	Other liabilities	Amortized cost		**56,463**		**56,463**
Interest rate swap liability	Derivatives	Fair value		**2,439**		**2,439**
Foreign exchange forward contracts asset	Derivatives	Fair value		**697**		**697**

				2014		
Assets/liabilities	**Category**	**Measurement**		**Carrying amount**		**Fair value**
Accounts receivable	Loans and receivables	Amortized cost	$	22,693	$	22,693
Bank indebtedness	Other liabilities	Amortized cost		54,407		54,407
Accounts payable and accrued liabilities	Other liabilities	Amortized cost		37,371		37,371
Dividends payable	Other liabilities	Amortized cost		1,391		1,391
Long-term debt	Other liabilities	Amortized cost		45,720		45,720
Interest rate swap liability	Derivatives	Fair value		1,270		1,270
Foreign exchange forward contracts asset	Derivatives	Fair value		100		100

The Company's interest rate swap and foreign exchange contracts are derivatives and are recorded at fair value. As a result, unrealized gains and losses are included each period through earnings, which reflect changes in fair value.

Fair value

The fair value of accounts receivable, accounts payable and accrued liabilities and dividends payable approximates their carrying value because of the short-term maturity of these instruments.

The fair value of long-term debt is equivalent to its carrying value because the variable interest rate is comparable to market rates. The fair value of the interest rate swap used to fix this interest rate is included in the current and long-term derivative financial instruments in the consolidated balance sheets.

The fair value of foreign exchange forward contracts is determined based on the difference between the contract rate and the forward rate at the date of the valuation.

The fair value of the interest rate swap is determined based on the difference between the fixed interest rate in the contract that will be paid by the Company and the forward curve of the floating interest rates that are expected to be paid by the counterparty. The fair value of foreign exchange forward contracts and the interest rate swap are adjusted to reflect any changes in the Company's or the counterparty's credit risk.

Fair value estimates are made at a specific point in time, using available information about the instrument. These estimates are subjective in nature and often cannot be determined with precision.

The net unrealized (losses) gains on derivative financial instruments are comprised of:

		2015		**2014**
Unrealized gains (losses) on foreign exchange forward contracts	**$**	**597**	$	(302)
Unrealized (losses) gains on the interest rate swap		**(1,169)**		1,052
	$	**(572)**	$	750

The fair value measurements of the Company's financial instruments are classified in the hierarchy below according to the significance of the inputs used in making the fair value measurements.

	2015		
Asset/liability	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**
Interest rate swap liability	$ -	$ 2,439	$ -
Foreign exchange forward contracts asset	-	697	-

	2014		
Asset/liability	**Quoted prices in active markets for identical assets (Level 1)**	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**
Interest rate swap liability	$ -	$ 1,270	$ -
Foreign exchange forward contracts asset	-	100	-

Objectives and policy relating to financial risk management

Interest rate risk

The Company is exposed to interest rate risk as a result of cash balances, floating rate debt, and an interest rate swap. Of these risks, the Company's principal exposure is that increases in the floating interest rates on its debt, if unmitigated, could lead to decreases in cash flow and earnings. The Company's objective in managing interest rate risk is to achieve a balance between minimizing borrowing costs over the long term, ensuring that it meets borrowing covenants, and ensuring that it meets other expectations and requirements of investors. To meet these objectives, the Company's policy is to effectively fix the rates on long-term debt to match the duration of investments in long-lived assets and to use floating rate funding for short-term borrowing.

The Company has effectively fixed its interest rate on its long-term debt until April 2019 by entering into interest rate swaps. The interest rate swaps are measured at fair value. An unrealized loss of $1,169 (2014 - $1,052 gain) was recognized on the interest rate swaps, which is classified as net unrealized loss (gain) on derivative financial instruments in the consolidated statements of earnings.

The Company's short-term borrowings are funded using a floating interest rate and as such are sensitive to interest rate movements. As at March 31, 2015, with other variables unchanged, a 1% change in interest rates would impact the Company's net earnings by approximately $237 (2014 - $460), exclusive of the mark-to-market adjustments on the interest rate swaps.

Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and accounts receivable. The Company places its cash and cash equivalents with major Canadian financial institutions. Counterparties to derivative contracts are also major financial institutions.

Credit risk for trade receivables is monitored through established credit monitoring activities. Over 50% of the Company's accounts receivable balance relates to amounts owing from Canadian provincial liquor boards. Excluding accounts receivable from Canadian provincial liquor boards, the Company does not have a significant concentration of credit risk with any single counterparty or group of counterparties. Amounts owing from Canadian provincial liquor boards represent $13,504 (2014 - $12,515) of the total accounts receivable for which no allowance has been provided. Of the remaining non-provincial liquor board balances, $755 (2014 - $688) was over thirty days past due as at March 31, 2015. An allowance for doubtful accounts of $99 (2014 - $102) has been provided against these accounts receivable amounts, which the Company has determined to represent a reasonable estimate of amounts that may be uncollectible.

Sales to its largest customer, a provincial Crown corporation, were $49,068 (2014 - $46,410) during the year ended March 31, 2015. Sales to its second largest customer, a branch of a provincial government, were $34,387 (2014 - $33,204) during the year.

An analysis of accounts receivable is as follows:

		2015		2014
Liquor boards	**$**	**13,504**	$	12,515
Non-liquor boards				
Current		**9,380**		8,355
Past due 0 - 30 days, due on delivery accounts		**620**		402
Past due 0 - 30 days		**1,456**		835
Past due 31 - 60 days		**249**		278
Past due > 60 days		**506**		410
Allowance for doubtful accounts		**(99)**		(102)
	$	**25,616**	$	22,693

The change in the allowance for doubtful accounts was as follows:

		2015		2014
Balance - Beginning of year	**$**	**102**	$	142
Provision for current year		**54**		68
Bad debts		**(57)**		(108)
Balance - End of year	**$**	**99**	$	102

Liquidity risk

The Company incurs obligations to deliver cash or other financial assets on future dates. Liquidity risk inherently arises from these obligations, which include requirements to repay debt, purchase grape inventory and make operating lease payments.

The Company manages liquidity risk by maintaining adequate cash and cash equivalent balances and by appropriately utilizing its operating line of credit. Company management continuously monitors and reviews both actual and forecasted cash flows and matches the maturity profile of financial assets and financial liabilities. Accounts payable are generally due within 30 days.

The following table outlines the Company's contractual undiscounted obligations. The Company analyzes contractual obligations for financial liabilities in conjunction with other commitments in managing liquidity risk. Contractual obligations include long-term debt, the expected payments under a swap agreement that fixes the Company's interest rate on long-term debt, operating leases and commitments on short-term forward foreign exchange contracts used to mitigate the currency risk on US dollar purchases as at March 31, 2015:

	Total	< 1 year	2 - 3 years	4 - 5 years	> 5 years
Long-term debt	$ 56,952	$ 4,194	$ 8,212	$ 44,546	$ -
Leases and royalties	23,707	4,862	6,640	3,602	8,603
Pension obligations	5,306	987	1,413	858	2,048
Grape and bulk wine purchase contracts	317,176	74,636	89,782	53,656	99,102
	403,141	84,679	106,047	102,662	109,753
Interest rate swap	7,478	2,255	3,541	1,682	-
Foreign exchange forwards	35,937	35,937	-	-	-
Total contractual obligations	$ 446,556	$ 122,871	$ 109,588	$ 104,344	$ 109,753

The Company's obligations under its interest rate swap and foreign exchange forward contracts are stated above on a gross basis rather than net of the corresponding contractual benefits.

Foreign exchange risk

Certain of the Company's purchases are denominated in US dollars, euro or Australian dollars. Any increases or decreases to the foreign exchange rates could increase or decrease the Company's earnings. To mitigate the exposure to foreign exchange risk, the Company has entered into forward foreign currency contracts.

The Company's foreign exchange risk arises on the purchase of bulk wine and concentrate, which are made in US dollars and euro. The Company's strategy is to hedge approximately 50% to 80% of its annual foreign exchange requirements prior to or during the beginning of each fiscal quarter. As at March 31, 2015, the Company has forward foreign currency contracts to buy US$22,100 at rates ranging between $1.13 and $1.25, EUR3,500 at rates ranging between $1.38 and $1.44 and AU$4,000 at rates ranging between $0.94 and $0.97. These contracts mature at various dates to December 2015. After considering the offsetting impact of these forward contracts, a 1% increase or decrease to the exchange rate of the US dollar, the euro or the Australian dollar would impact the Company's net earnings by approximately $108 (2014 - $41), $16 (2014 - $133) or $69 (2014 - $64), respectively. The Company has elected to not use hedge accounting and as a result, has recognized $597 (2014 - $302 losses) of unrealized foreign exchange gains in the consolidated statements of earnings as a component of net unrealized gains on derivative financial instruments and has recorded the fair value of $697 in prepaid expenses and other assets in the consolidated balance sheets (2014 - $100).

21 Capital disclosures

The Company's objective when managing capital is to safeguard the Company's ability as a going concern, to provide an adequate return to shareholders and to meet external capital requirements on debt and credit facilities.

The Company's capital consists of cash, bank indebtedness, long-term debt and shareholders' equity. The primary uses of capital are to make increases to non-cash working capital, fund maintenance and growth related capital expenditures, pay dividends and finance acquisitions. In order to meet the Company's objectives in managing capital, the Company prepares annual budgets of cash, earnings and capital expenditures that are updated during the year as necessary. The annual budget is approved by the Board of Directors.

As part of the existing debt agreement, the Company is subject to financial covenants, which consist of the following:

- funded debt to a rolling twelve-month EBITDA, which is defined as consolidated earnings before interest, amortization and taxes excluding unusual and non-recurring items that are agreed to by the Company and the lender; and

- fixed charge coverage ratio.

Unfunded capital expenditures are limited to $15,000 on an annual basis. The unspent portion may be carried over to the next fiscal year.

Compliance with these covenants and the capital expenditure limit is monitored by management on a quarterly basis.

22 Related parties and management compensation

The Company is controlled by Jalger Limited, which owns 66.5% of the Company's Class B voting shares. The ultimate controlling party of the Company is Dr. Joseph A. Peller.

Compensation of directors and executives

The compensation expense recorded for directors and members of the Executive Management Team of the Company is shown below:

		2015		2014
Compensation and benefits	**$**	**5,263**	$	4,145
Payments to a share purchase plan		**258**		160
	$	**5,521**	$	4,305

The compensation and benefits expense consists of amounts that will primarily be settled within twelve months.

23 Segmented information

During the year, export sales were $13,853 (2014 - $11,881), primarily in the United States. The remainder of sales occurred in Canada. All of the Company's assets are located in Canada.

TEN-YEAR SUMMARY

(in thousands of Canadian dollars, except per share amounts)	**2015**	2014	2013 Restated [8]	2012
Sales and earnings				
Net sales	**$ 315,697**	$ 297,824	$ 289,143	$ 276,883
EBITA	**35,518**	33,729	33,489 [8]	32,651
Net earnings (loss)	**15,761**	14,021	14,519 [8]	13,001
Financial position				
Working capital	**68,982**	44,564	41,670	34,869
Total assets	**301,505**	301,015	296,519	285,552
Shareholders' equity	**147,365**	138,003	129,701 [8]	120,552
Per share				
Net earnings (loss) [2]				
Basic & diluted Class A	**1.13**	1.01	1.04 [8]	0.93
Basic & diluted Class B	**0.99**	0.88	0.91[8]	0.81
Dividends [2]				
Class A Shares, non-voting	**0.420**	0.400	0.360	0.360
Class B Shares, voting	**0.365**	0.348	0.314	0.314
Number of shares outstanding (in thousands of shares) [2]				
Class A Shares, non-voting	**11,294**	11,294	11,294	11,294
Class B Shares, voting	**3,004**	3,004	3,004	3,004
	14,298	14,298	14,298	14,298
Other information				
Return on average shareholders' equity [9]	**11.07%**	10.5%	11.6%[8]	11.1%
Return on average capital employed [10]	**11.5%**	10.8%	11.1%	11.5%

[1] Includes costs related to the integration of Cascadia Brands Inc. and other items of $2.0 million.
[2] After giving effect to a 3:1 split of Class A and Class B Shares that occurred on October 31, 2006.
[3] Excludes the net impact of discontinued operations.
[4] Excludes the after-tax impact of mark-to-market adjustments on an interest rate swap.
[5] Includes an after-tax gain of $11.9 million for the sale of Granville Island Brewing Company Ltd. and Mainland Beverage Distribution Ltd.

	2011 Restated [7]	2010	2009 Restated [3]	2008 Restated [3]	2007	2006
	$ 265,420	$ 263,151 [5]	$ 251,136[3]	$ 228,056[3]	$ 228,192	$ 211,775
	31,544 [7]	27,354 [5]	23,359[3]	28,109[3]	27,665	22,902
	11,223 [7]	21,661 [5]	(125)	11,381	9,472	6,054 [1]
	27,643 [7]	29,357	29,203	25,413	25,316	26,756
	267,996 [7]	263,716	293,507	259,744	238,956	222,087
	114,297 [7]	113,665	96,791	102,680	95,522	89,580
	0.78 [7]	1.49 [5]	($0.01)	0.78	0.65	0.42 [1]
	0.67 [7]	1.30 [5]	($0.01)	0.68	0.57	0.36 [1]
	0.330	0.330	0.330	0.300	0.253	0.215
	0.288	0.288	0.288	0.261	0.220	0.187
	11,294	11,888	11,888	11,888	11,888	11,888
	3,004	3,004	3,004	3,004	3,004	3,004
	14,298	14,892	14,892	14,892	14,892	14,892
	9.8% [7]	6.8% [4,6]	6.0% [4]	11.5%	10.2%	6.9%
	11.6% [7]	9.1% [6]	7.9% [4]	10.7%	10.3%	9.7%

(6) Excludes an after-tax gain of $11.9 million for the sale of Granville Island Brewing Company Ltd. and Mainland Beverage Distribution Ltd.

(7) March 31, 2012 and subsequent periods have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The March 31, 2011 period was restated in accordance with IFRS. Amounts for March 31, 2010 and prior have not been prepared in accordance with IFRS. They have been presented in accordance with Canadian GAAP prior to IFRS transition and may not be comparable to subsequent periods.

(8) Restated to reflect the adoption of the amendments to IAS 19.

(9) Return on average shareholders' equity is calculated as net earnings divided by average shareholders' equity.

(10) To determine return on average capital employed, return is calculated as EBITA less amortization. Capital employed is calculated as total assets less non-interest bearing liabilities. For 2008 and prior periods certain non-interest-bearing debt was included in capital employed and may not be comparable to subsequent periods.

DIRECTORS & OFFICERS

Directors

MARK W. COSENS
Burlington, Ontario
Managing Director
Kilbride Capital Partners

LORI C. COVERT
Halifax, Nova Scotia
Corporate Director

RICHARD D. HOSSACK, PhD
Toronto, Ontario
President
Hossack and Associates Limited

PERRY J. MIELE
Burlington, Ontario
Chairman and Partner
Beringer Capital

A. ANGUS PELLER M.D.
Toronto, Ontario
Senior Medical Consultant
Medcan Health Management Inc.

JOHN E. PELLER
Burlington, Ontario
President and CEO
Andrew Peller Limited

JOSEPH A. PELLER
Rockwood, Ontario
Chairman of the Board
Andrew Peller Limited

RANDY A. POWELL
Vancouver, British Columbia
President and CEO
Armstrong Group

JOHN F. PETCH, Q.C. LLD
Toronto, Ontario
Vice Chairman
Andrew Peller Limited

BRIAN J. SHORT
Ancaster, Ontario
Corporate Director

Honorary Directors

C. WILLIAM DANIEL, O.C.
Toronto, Ontario

WILLIAM J. WALSH, M.D.
Hamilton, Ontario

Officers

JOHN E. PELLER
President and Chief Executive Officer

ANTHONY M. BRISTOW
Chief Operating Officer

BRIAN D. ATHAIDE
Chief Financial Officer and
Executive Vice-President
Human Resources & Information Technology

BRENDAN P. WALL
Executive Vice-President, Operations

SHARI A. NILES
Executive Vice-President, Marketing

GREGORY J. BERTI
Vice-President, Government Relations and Export

JAMES H. COLE
Vice-President, Retail and Estate Wine Group

COLIN M. CAMPBELL
Vice-President, Sales, Western Canada

ERIN L. ROONEY
Vice-President, Sales, Eastern Canada and Agency

SHAREHOLDER INFORMATION

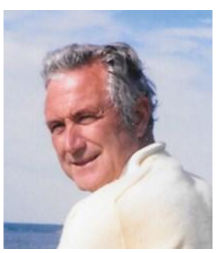
Head Office
ANDREW PELLER LIMITED
697 South Service Road
Grimsby, Ontario L3M 4E8
Tel: (905) 643-4131
Fax: (905) 643-4944

Stock Exchange
TORONTO
Symbols: ADW.A/ADW.B

Rgistrar and Transfer Agent
COMPUTERSHARE INVESTOR SERVICES INC.

Auditors
PRICEWATERHOUSECOOPERS LLP

Bankers
BANK OF MONTREAL
ROYAL BANK OF CANADA
TORONTO DOMINION BANK
RABOBANK



In Memory of Ralph Macdonald Logan

April 21, 1928 to April 6, 2015

In 1966, Ralph moved the family to Halifax, where he joined Andrés Wines Ltd. He was the Vice President – Atlantic Canada at our Truro winery, served on the Board of Directors of Andrés Wines and Honourary Director of Andrew Peller Limited. He was instrumental in the growth of the company and will be fondly remembered by all those who knew him.

Shareholder Inquiries
Computershare Investor Services Inc. operates services for inquiries regarding changes of address, stock transfers, registered shareholdings, dividends and lost certificates.

Phone: 1-800-564-6253 toll free North America (International 514-982-7555)

Fax: 1-866-249-7775 toll free North America (International 416-263-9524)

Internet: www.computershare.com
The Investors section offers enrolment for self-service account management for registered shareholders through Investor Centre.

Mail: Computershare Investor Services
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1

Investor Relations
For additional information regarding the Company's activities, please contact:
BRIAN D. ATHAIDE
Chief Financial Officer and Executive Vice President, Human Resources & Information Technology at the Head Office address or by email at:
brian.athaide@andrewpeller.com

2015 Annual Shareholders' Meeting
The 2015 Annual Meeting of Shareholders' will be held at:
Trius Winery
Niagara-on-the-Lake, Ontario
on Wednesday, September 16, 2015 at 3:00 p.m.

THE Wine SHOP

AJAX
955 WESTNEY ROAD S.
L1S 3K7 (905) 683-1705
#102 WITHIN: SOBEYS

260 KINGSTON ROAD W.
L1T 4E4 (905) 428-6500
#165 WITHIN: SOBEYS

30 KINGSTON ROAD W.
L1T 4K8 (905) 428-7829
#170 WITHIN: RCSS

ANCASTER
977 GOLF LINKS ROAD
L9G 3T9 (905) 648-1465
#124 WITHIN: SOBEYS

BARRIE
201 CUNDLES ROAD E.
L4M 4S5 (705) 739-1553
#109 WITHIN: ZEHRS

11 BRYNE DRIVE
L4N 8V8 (705) 725-8121
#139 WITHIN: ZEHRS

BOLTON
487 QUEEN STREET S.
L7E 2B4 (905) 857-4166
#145 WITHIN: ZEHRS

BRAMALEA
25 PEEL CENTRE DRIVE
L6T 3R5 (905) 793-4246
#28 WITHIN: METRO

BRAMPTON
227 VODDEN STREET
L6V 1N3 (905) 459-2386
#35 WITHIN: FOOD BASICS

930 NORTH PARK DRIVE
L6S 3Y5 (905) 793-9071
#52 WITHIN: SOBEYS

10970 AIRPORT ROAD
L6R 0E1 (905) 793-9531
#191 WITHIN: SOBEYS

BROCKVILLE
1972 PARKEDALE AVE.
K6V 7N4 (613) 342-8477
#184 WITHIN: RCSS

BURLINGTON
2025 GUELPH LINE
L7P 4M8 (905) 336-3849
#112 WITHIN: FORTINO'S

4025 NEW STREET
L7L 1S7 (905) 632-8580
#114 WITHIN: MARILU'S MARKET

1250 BRANT STREET
L7P 1X8 (905) 319-8670
#131 WITHIN: SOBEYS

3505 UPPER MIDDLE ROAD
L7M 4C6 (905) 336-9101
#312 WITHIN: WALKERS PLACE

5353 LAKESHORE ROAD
L7L 1C8 (905) 681-8282
#329 WITHIN: LAKESIDE VILLAGE

CAMBRIDGE
180 HOLIDAY INN DRIVE
N3C 3Z4 (519) 651-1145
#86 WITHIN: ZEHRS

400 CONESTOGA BLVD.
N1R 7L7 (519) 624-1103
#151 WITHIN: ZEHRS

COLLINGWOOD
12 HURONTARIO STREET
L9Y 2L6 (705) 446-2237
#113 WITHIN; LOBLAW GREAT FOOD

640 FIRST STREET EXTENSION
L9Y 4Y7 (705) 444-1730
#153 WITHIN: METRO

EAST YORK
1015 BROADVIEW AVE.
M4K 2S2 (416) 467-7760
#99 WITHIN: SOBEYS

ETOBICOKE
380 THE EAST MALL
M9B 6L5 (416) 695-9567
#152 WITHIN: LOBLAW GREAT FOOD

FERGUS
800 TOWER STREET S.
N1M 2R3 (519) 787-7721
#149 WITHIN: ZEHRS

GEORGETOWN
171 GUELPH STREET
L7G 4A1 (905) 877-1815
#179 WITHIN: RCSS

GRIMSBY
361 SOUTH SERVICE ROAD
L3M 4E8 (905) 945-9982
#181 WITHIN: RCSS

GUELPH
297 ERAMOSA ROAD
NIH 1G7 (519) 824-7922
#88 WITHIN: ZEHRS

160 KORTRIGHT ROAD, W.
N1G 4W2 (519) 837-9293
#105 WITHIN: ZEHRS

167 SILVERCREEK PARKWAY
N1H 3T2 (519) 837-0540
#197 WITHIN: NO FRILLS

HAMILTON
50 DUNDURN STREET S.
L8P 4J9 (905) 528-4003
#76 WITHIN: FORTINO'S

75 CENTENNIAL PARKWAY N.
L8E 2P2 (905) 561-4504
#79 WITHIN: FORTINO'S

1579 MAIN STREET W.
L8S 1E6 (905) 522-8882
#175 WITHIN: FORTINOS

KESWICK
24018 WOODBINE AVE.
L4P 3E9 (905) 476-8544
#134 WITHIN: ZEHRS

KINGSTON
1048 MIDLAND AVE.
K7M 7H4 (613) 389-6139
#122 WITHIN: LOBLAWS

KITCHENER
750 OTTAWA STREET S.
N2E 1B6 (519) 745-2183
#164 WITHIN: ZEHRS

39 - 875 HIGHLAND ROAD W.
N2N 2Y2 (519) 742-5844
#324 WITHIN: HIGHLAND HILLS MALL

LONDON
1244 COMMISSIONERS ROAD
N6K 1C7 (519) 657-7517
#54 WITHIN: METRO

1030 ADELAIDE STREET N.
N5Y 2M9 (519) 679-3717
#62 WITHIN: METRO

395 WELLINGTON STREET
N6C 4P9 (519) 649-7180
#94 WITHIN: METRO

3040 WONDERLAND STREET
N6L 1A6 (519) 668-2224
#161 WITHIN: LOBLAWS

MILTON
1079 MAPLE AVE
L9T 0A5 (905) 693-8850
#199 WITHIN: LONGOS

MISSISSAUGA
4099 ERIN MILLS PKWY.
L5L 3P9 (905) 607-6246
#148 WITHIN: MICHAEL-ANGELO'S

5602 - 10th LINE W.
L5M 7L9 (905) 858-0123
#166 WITHIN: SOBEYS

228 LAKESHORE ROAD W.
L5H 1G6 (905) 271-8686
#207 WITHIN: CREDIT LANDING SHOPPING CENTRE

2150 BURNHAMTHORPE ROAD W.
L5L 3A2 (905) 820-9958
#332 WITHIN: SOUTH COMMON CENTRE

NEWMARKET
1111 DAVIS DRIVE
L3Y 8X2 (905) 853-0401
#127 WITHIN: METRO

18200 YONGE STREET N.
L3Y 4V8 (905) 895-2412
#138 WITHIN: RCSS

16640 YONGE STREET
L3X 1V6 (905) 830-3448
#159 WITHIN: METRO

NIAGARA ON THE LAKE
300 TAYLOR ROAD
L0S 1J0 (905)704-0550
#203 WITHIN: NIAGARA OUTLET COLLECTION

NIAGARA ON THE LAKE
27 QUEEN STREET
L0S 1J0 (905) 468-1881
#204 WITHIN:
WINE COUNTRY VINTNERS

NORTH YORK
3501 YONGE STREET
M4N 2N5 (416) 481-7699
#123 WITHIN: LOBLAW GREAT FOOD

NORTH YORK
3090 BATHURST STREET
M6A 2A1 (416) 256-0462
#150 WITHIN: METRO

OAKVILLE
511 MAPLE GROVE DRIVE
L6J 4W3 (905) 338-3042
#63 WITHIN: SOBEYS

469 CORNWALL ROAD
L6J 4A7 (905) 338-0880
#202 WITHIN: LONGO'S

1500 UPPER MIDDLE ROAD W.
L6M 3G3 (905) 847-2944
#120 WITHIN: SOBEYS

ORANGEVILLE
50 - 4TH AVE.
L9W 4P1 (519) 942-8752
#90 WITHIN: ZEHRS

OSHAWA
285 TAUNTON ROAD E.
L1G 3V2 (905) 571-6167
#78 WITHIN: METRO

1385 HARMONY ROAD N.
L1H 7K5 (905) 438-1800
#178 WITHIN: RCSS

OTTAWA
1300 KING STREET E. Unit #32
L1H 8J4 (905) 438-0478
#180 WITHIN: KINGSWAY PLAZA

1300 KING STREET E.
L1H 8J4 (905) 728-3767
#350 WITHIN: NO FRILLS

2515 BANK STREET
K1V 8R9 (613) 523-5837
#343 WITHIN: SOUTHGATE

(Ottawa) GLOUCESTER
671 RIVER ROAD
K1V 2G2 (613) 822-3080
#186 WITHIN: YIG

(Ottawa) NEPEAN
59 ROBERTSON ROAD
K2H 5Y9 (613) 820-7219
#129 WITHIN: LOBLAWS

1460 MERIVALE ROAD
K2E 5P2 (613) 723-5507
#351 WITHIN: LOBLAWS

(Ottawa) STITTSVILLE
1251 MAIN STREET
K2S 2E5 (613) 831-3837
#188 WITHIN: YIG

(Ottawa) VANIER
100 MCARTHUR ROAD
K1L 6P9 (613) 749-9618
#347 WITHIN: LOBLAWS

OWEN SOUND
1150 SIXTEENTH STREET E.
N4K 1Z3 (519) 371-8664
#140 WITHIN: ZEHRS

PETERBOROUGH
769 BORDEN AVE.
K9J 0B6 (705) 740-2513
#190 WITHIN: RCSS

PICKERING
1900 DIXIE ROAD
L1V 6M4 (905) 831-6705
#210 WITHIN: YIG

RICHMOND HILL
11700 YONGE STREET
L4E 3N6 (905) 770-2314
#187 WITHIN: SOBEYS

SCARBOROUGH
3221 EGLINTON AVE. E.
M1J 2H7 (416) 267-2795
#128 WITHIN: METRO

SIMCOE
470 NORFOLK STREET S.
N3Y 2W8 (519) 426-1033
#110 WITHIN: SOBEYS

ST. CATHARINES
318 ONTARIO STREET
L2R 5L8 (905) 685-8898
#43 WITHIN: PRICE CHOPPER

221 GLENDALE AVE.
L2T 2K9 (905) 688-4767
#117 WITHIN: ZEHRS

285 GENEVA STREET
L2N 2G1 (905) 646-7363
#137 WITHIN: ZEHRS

411 LOUTH STREET
L2S 4A2 (905) 685-9779
#172 WITHIN: RCSS

400 SCOTT STREET
L2M 3W4 (905) 934-0981
#201 WITHIN: GRANTHAM PLAZA

600 ONTARIO STREET
L2N 7H8 (905) 934-7430
#322 WITHIN: PORT PLAZA

ST. THOMAS
1063 TALBOT STREET
N5R 2S6 (519) 633-6343
#111 WITHIN: RCSS

TORONTO
656 EGLINTON AVE. E.
M4P 1P1 (416) 485-0093
#143 WITHIN: METRO

50 MUSGRAVE STREET
M4E 3W2 (416) 693-6336
#156 WITHIN: LOBLAWS

93 LAIRD DRIVE
M4G 3T7 (416) 424-1362
#200 WITHIN: LONGO'S

3671 DUNDAS STREET W.
M6S 2T3 (416) 762-8635
#147 WITHIN: LOBLAWS

228 QUEENS QUAY W.
M5J 1B5 (416) 598-8880
#167 WITHIN: QUEENS QUAY

125 THE QUEENSWAY
M8Y1H6 (416) 201-8221
#171 WITHIN: SOBEYS

87 AVENUE ROAD
M5R 3R9 (416) 923-6336
#176 WITHIN: HAZELTON LANES

93 FRONT STREET E.
M5E 1C4 (416) 364-1811
#189 WITHIN: WINE COUNTRY MERCHANTS

22 FORT YORK BLVD.
M5V 3Z2 (416) 623-0793
#192 WITHIN: SOBEYS

65-O DUPONT STREET
M6G 4B1 (416) 533-8484
#208 WITHIN: LOBLAWS

2273 BLOOR STREET W.
M6S 1N9 (416) 766-8654
#309 WITHIN: BLOOR WEST VILLAGE

UXBRIDGE
323 TORONTO STREET S.
L9P 1N2 (905) 852-5008
#133 WITHIN: ZEHRS

VAUGHAN
9200 BATHURST STREET
L6A 1S2 (905) 707-6118
#169 WITHIN: SOBEYS

WATERLOO
450 ERB STREET W.
N2T 1H4 (519) 747-5897
#40 WITHIN: ZEHRS

315 LINCOLN ROAD
N2J 4H7 (519) 746-7226
#162 WITHIN: ZEHRS

WELLAND
821 NIAGARA STREET
L3C 1M4 (905) 714-9521
#144 WITHIN: ZEHRS

WHITBY
1615 DUNDAS STREET E.
L1N 2L1 (905) 728-4118
#177 WITHIN: SOBEYS

3050 GARDEN STREET
L1R 2G7 (905) 430-5314
#205 WITHIN: WHITBY TOWN SQUARE

817 DUNDAS WEST UNIT B
L1N 2N6 (905) 430-4698
#209 WITHIN: WHITBY WEST SIDE PLAZA

200 TAUNTON ROAD
L1R 3H8 (905) 668-7568
#317 WITHIN: RCSS

WOODBRIDGE
9200 WESTON ROAD
L4H 2P8 (905) 303-3055
#206 WITHIN: LONGO'S

THE Wine SHOP

Exclusive Wine Offer for Shareholders

We are pleased to offer exceptional VQA wines from our wineries in Niagara and the Okanagan Valley. These exclusive Collections are available at a 15% savings. As a Shareholder, we are also offering you complimentary delivery within Ontario and British Columbia.

Delivered right to your door, these Collections give you the opportunity to enjoy a variety of wines from Andrew Peller Limited's award-winning wineries. Stock up for get-togethers and surprise the wine lovers in your life with a delicious bottle (or two).

Don't forget, our wine club memberships are also available! Peller Estates, Trius and Thirty Bench No.30 memberships are available in Ontario, Sandhill and Red Rooster memberships are available in British Columbia. Please call us for more information.

You can call us at 1.866.440.4383 to place your order or email wineorders@peller.com. We are available Monday to Friday, 9 am - 7 pm EST. Offer ends Friday, September 25, 2015.

Ontario VQA Wine Collections

Collections #1-4 can be delivered to Ontario, British Columbia, Manitoba, and Nova Scotia. Free delivery within Ontario and a special delivery charge of only $25 to other provinces.

Collection #1: Best of VQA Niagara Collection

Peller Estates Family Series Riesling
Peller Estates Private Reserve Cabernet Franc
Trius Sauvignon Blanc
Trius Cabernet Franc
Thirty Bench Winemaker's Riesling
Wayne Gretzky Estates No.99 Cabernet Merlot
6 Bottle Collection - $91.74 (reg. $107.70)
12 Bottle Collection - $183.48 (reg. $215.40)

Collection #2: Peller Estates Collection

Peller Estates Signature Series Ice Cuvée
Peller Estates Family Series Chardonnay
Peller Estates Private Reserve Gamay Noir
Peller Estates Signature Series Chardonnay 'Sur Lie'
Peller Estates Signature Series Merlot
Peller Estates Private Reserve Late Harvest Vidal (375 ml)
6 Bottle Collection - $138.77 (reg. $163.05)
12 Bottle Collection - $277.54 (reg. $326.10)

Collection #3: Trius Collection

Trius Brut
Trius Sauvignon Blanc Trius Divine White Trius Merlot
Trius Cabernet Franc
Trius Red
6 Bottle Collection - $98.53 (reg. $115.70)
12 Bottle Collection - $197.06 (reg. $231.40)

Collection #4: Wayne Gretzky Estates No.99 Collection

Wayne Gretzky Estates No.99 Riesling
Wayne Gretzky Estates No.99 Pinot Grigio
Wayne Gretzky Estates No.99 Chardonnay
Wayne Gretzky Estates No.99 Merlot
Wayne Gretzky Estates 'Estate Series' Cabernet Merlot
Wayne Gretzky Estates 'Estate Series' Pinot Noir
6 Bottle Collection - $91.38 (reg. $108.70)
12 Bottle Collection - $182.76 (reg. $217.40)

British Columbia VQA Wine Collections

Collections #5-8 can be delivered to British Columbia, Manitoba, and Nova Scotia. Free delivery within British Columbia and a special delivery charge of only $25 to other provinces.

Collection #5: Best of VQA Okanagan Collection

Peller Estates Family Series Pinot Gris
Peller Estates Family Series Cabernet Merlot
Sandhill Chardonnay
Sandhill Small Lots Sangiovese
Sandhill Small Lots Viognier
Wayne Gretzky Estates Okanagan Cabernet Syrah
6 Bottle Collection - $100.34 (reg. $119.63)
12 Bottle Collection - $203.73 (reg. $239.26)

Collection #6: Red Rooster Collection

Red Rooster Riesling
Red Rooster Chardonnay
Red Rooster Reserve Pinot Gris Red Rooster Cabernet Merlot
Red Rooster Reserve Pinot Noir Red Rooster Reserve Meritage
6 Bottle Collection - $106.67 (reg. $125.38)
12 Bottle Collection - $213.53 (reg. $250.76)

Collection #7: Sandhill Collection

Sandhill Pinot Gris
Sandhill Sauvignon Blanc
Sandhill Gamay Noir Sandhill Cabernet Franc
Sandhill Small Lots Single Block Chardonnay
Sandhill Small Lots Two
6 Bottle Collection - $121.59 (reg. $142.91)
12 Bottle Collection - $243.36 (reg. $285.82)

Collection #8: Red Rooster Big Reds Collection

Red Rooster Reserve Merlot
Red Rooster Reserve Syrah
Red Rooster Golden Egg
3 Bottle Collection - $93.95 (reg. $110.43)
6 Bottle Collection - $187.90 (reg. $220.86)

Delivery Information:

You can expect your order within 5-10 business days based on delivery location. Wine will be delivered in a sturdy corrugated box. Please ensure someone of legal drinking age is available to sign for the package. Prices include bottle deposit.

ANDREW PELLER
LIMITED

PELLER ESTATES

Trius WINERY AT HILLEBRAND

GLOBAL VINTNERS INC

COPPER MOON

Nº 99 WAYNE GRETZKY ESTATES™

THE Wine SHOP

skinnygrape

THIRTY BENCH
WINE MAKERS

ANDREW PELLER
IMPORT AGENCY

BL CK CELLAR

SANDHILL

THE SMALL WINE-MAKERS COLLECTION

PANAMA JACK'S

RED ROOSTER WINERY