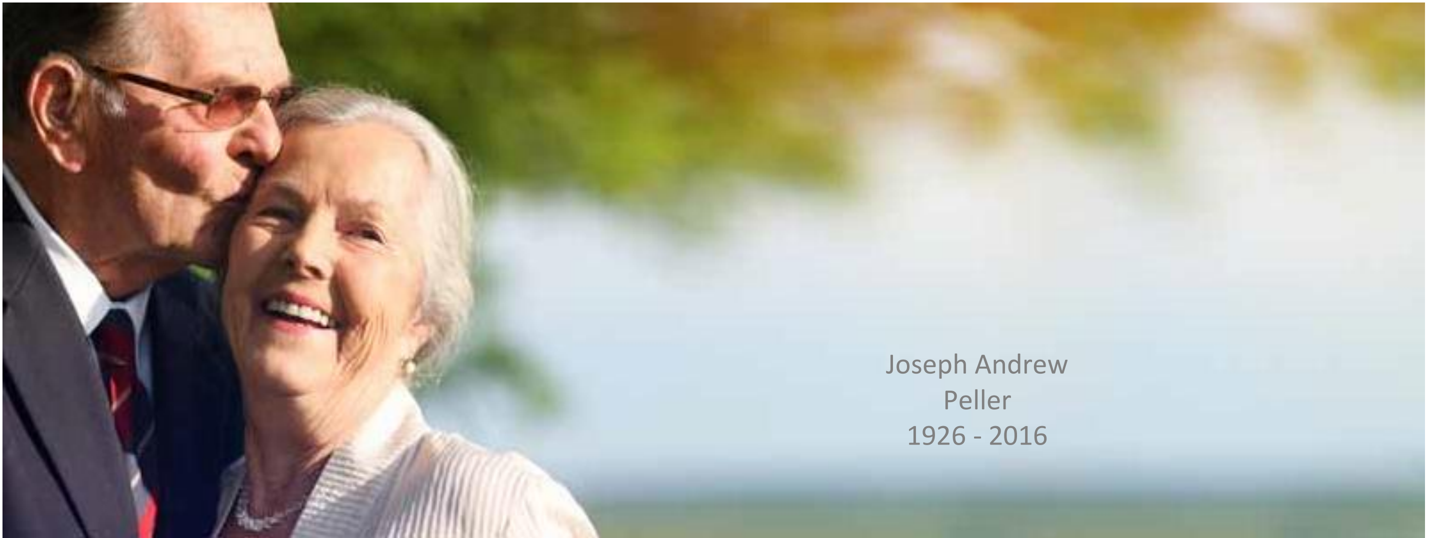
ANDREW PELLER

LIMITED

2015 Canadian Wine Producer of the Year

2016 Annual Report



Remembering Joe

Joe Peller was a man of traditional family values.

His love for family developed from the rigours of his early childhood. Toward the end of the 1920's in Hungary, having experienced many of life's most heart-rending trials, Joe's Dad, Andy, summoned the courage to immigrate in search of a new life for his young wife Lena, and his ailing two year old son, Joe. Throughout his life, Joe was profoundly moved by his parents' love for each other and their efforts to give him a better life.

Growing up in Toronto, Joe was inspired by his father's entrepreneurial spirit and he learned at a young age that his destiny was not a matter of chance…but of choice. He was a dedicated student with a passion for reading and natural science that inspired him to enroll at the University of Toronto at the age of sixteen, where he graduated with a doctorate in medicine in 1948. The next year, as a resident intern at the Royal Victoria Hospital in Montreal, Joe's life changed forever when he met Connie Martin, a nurse from Prince Edward Island. They were married in 1952 and moved to Ancaster, Ontario, where they raised their six children, while Joe served as the Chief of Medicine for Hamilton Civic Hospitals up until 1965.

In a dramatic turn, Joe decided he needed to leave medicine in 1966 to aid his father who was struggling to keep our wine company afloat in Port Moody, B.C. The company grew and prospered under Joe's dedication and leadership. Today our company thrives as Andrew Peller Limited. Joe's deep affection and regard for the many people who worked with him at APL reflect the company's family culture and the many successes of all who have worked here.

Joe's life pursuits were widely varied. He enjoyed sailing, golf, skiing, classical music, and opera. Together, Joe and Connie travelled extensively. For over thirty years, they spent many winter months in Captiva, Florida, hosting friends and family.

Joe believed that fulfillment in life was achieved through learning and helping others grow. His legacy at APL was nurturing a culture of learning that has become the root strength of our company. He was genuinely humble and inspired everyone with his open mind and open heart.

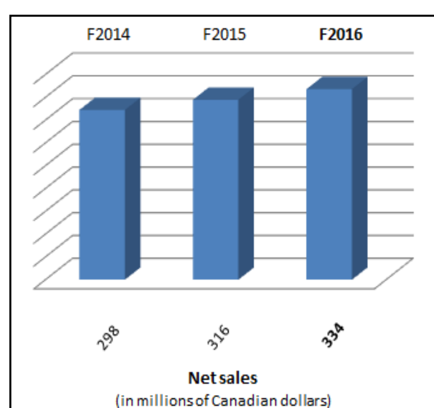
In the end, Joe's dream to provide a better life for his family was certainly achieved. With Connie at his side, he cherished holding family dinner parties at the farm in Guelph, and toasting everyone's bright future with a glass of wine in hand.

We have all been fortunate to be part of Joe's family. He will be sadly missed and never forgotten.

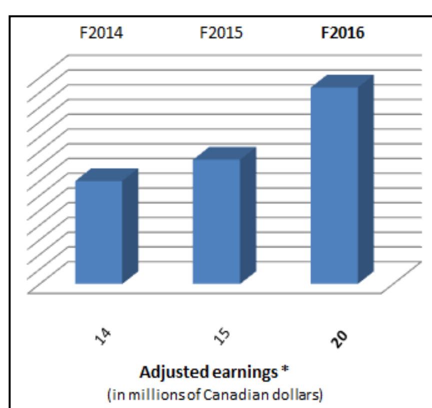
OPERATIONAL HIGHLIGHTS

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

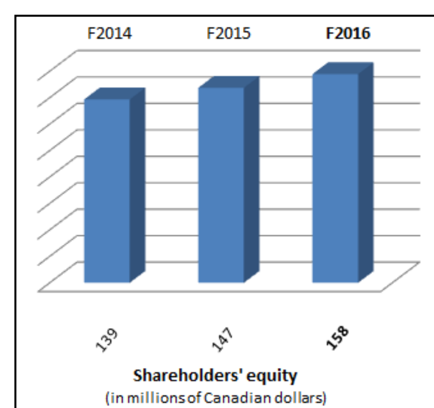
SALES AND EARNINGS		**2016**		**2015**[(1)]
Net sales	$	**334,263**	$	**315,697**
EBITA		**40,916**		**35,184**
Adjusted earnings *		**20,322**		**15,425**
FINANCIAL POSITION				
Working capital		**71,665**		**68,982**
Total assets		**308,309**		**301,519**
Shareholders' equity		**157,736**		**147,375**
PER SHARE				
Net earnings per Class A Share - basic and diluted		**1.38**		**1.09**
DIVIDENDS				
Class A Shares, non-voting		**0.450**		**0.420**
Class B Shares, voting		**0.391**		**0.365**
MARKET VALUE				
Class A - HIGH		**30.50**		**16.26**
Class A - LOW		**15.42**		**13.10**
Class B - HIGH		**34.00**		**26.10**
Class B - LOW		**19.95**		**15.35**
ANALYTICAL INFORMATION				
Return on average shareholders' equity		**12.6%**		**10.6%**
Return on average capital employed		**13.2%**		**11.0%**
Ratio of current assets to current liabilities		**1.9:1**		**1.9:1**



Net sales
(in millions of Canadian dollars)



Adjusted earnings *
(in millions of Canadian dollars)



Shareholders' equity
(in millions of Canadian dollars)

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

(1) Restated to reflect the adoption of amendments to IAS 16, Property, Plant and Equipment and IAS 41, Agriculture

Overview

Andrew Peller Limited 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, Thirty Bench*, *Wayne Gretzky*, *Sandhill, Conviction,* 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, Black Cellar, XOXO,* and s*kinnygrape*. *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., the recognized leader in personal winemaking products. Global Vintners Inc. 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. Global Vintners Inc.'s award-winning premium and ultra-premium winemaking brands include *Selection, Vintners Reserve, Island Mist, KenRidge, Cheeky Monkey, Traditional Vintage,* and *Cellar Craft*. The Company owns and operates 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.; both of these wine agencies are importers of premium wines from around the world and are marketing agents for these fine wines. 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 2016 was another year of strong growth and operating performance for your Company, driven by a solid, broad-based increase in revenues across all of our well-established trade channels and further strengthening in our gross margins and overall profitability.

Our growth over the last decade has been primarily organic, the result of continuing strength in the Canadian wine market, and our ability to capitalize on these solid industry fundamentals through proven marketing programs, the quality and reputation of our products, the introduction of new wine brands, and our entry into new product categories. Our organic revenue growth has averaged approximately 4.7% for the last five years, an exceptional track record for a consumer products company.

Continuing Strong Performance

In fiscal 2016 sales rose 5.9% to $334.3 million, the result of strong performance across all of our targeted markets including provincial liquor stores, our network of company-owned retail stores in Ontario, our export business, our award-winning estate wineries, our focus on licensed restaurant and club sales, our two wine importing and marketing agencies, and our personal winemaking business.

Complementing this sales growth, the positive impact of our cost control initiatives to improve productivity and raw material savings resulted in another year of increased profitability with gross margin as a percentage of sales rising to 36.8% compared to 36.4% in the prior year.

As a result of our solid 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 31.7% to $20.3 million. Net earnings for the year were $19.2 million or $1.38 per Class A Share, up 26.1% from $15.2 million or $1.09 per Class A Share in fiscal 2015.

With our record growth in revenues and profitability, the Company's balance sheet and financial position also remained strong at year-end with an increase in working capital to $71.7 million, a reduction in our overall debt position, and an increase in shareholders' equity to $157.7 million or $11.11 per common share. We amended our credit facilities during the year to realize lower debt service costs and to better align with our ongoing strategic direction.

Increase in Common Share Dividends

With our record operating results, our strong financial position, and our highly positive outlook on the future, the Board of Directors was pleased to announce a 9.0% increase in common share dividends in June 2016. The annual amount of dividends on Class A Shares was increased to $0.490 per share and on Class B Shares to $0.426 per share. This was our eighth increase in dividends in the last ten years, a further demonstration of our commitment to enhancing shareholder value. The Company has consistently paid common share dividends since 1979.

Significant Accomplishments

We were very proud to have been recognized as the "Canadian Wine Producer of the Year" by the International Wine and Spirit Competition ("IWSC") in December 2015. Established in 1969, the IWSC was the first competition to seek out the best wines, spirits and liqueurs from around the globe. Now one of the world's foremost wine competitions, the IWSC's panel of carefully selected industry experts comprised of Masters of Wine, wine buyers, sommeliers, qualified wine educators and respected wine journalists judges wines from more than 90 countries in a rigorous seven-month process that includes a double-blind tasting as well as chemical and microbiological analysis. An IWSC award is recognized internationally as a badge of excellence and quality, and is a testament to the quality of our products and everything we have accomplished over the last few years.

In the spring of 2016 we broke ground to begin construction of the latest addition to our family of estate wineries, the Wayne Gretzky Estate Winery and Distillery. Located on land adjacent to our Trius Winery in Niagara-on-the-Lake, Ontario, the planned 15,000 square foot facility will include a winery, craft distillery, barrel aging cellars, tasting rooms, retail and hospitality facilities, all surrounded by landscaping and vineyards. The Company established its strategic alliance with the Wayne Gretzky Estate Winery in 2011, and our Niagara and Okanagan wine portfolio continues to show great potential for growth. The extension of the Gretzky brand into Canadian whisky is a perfect complement to its top-performing wines. The new winery and distillery is expected to open in the spring of 2017 and will add to the significant investments we have made in our Peller Estates, Trius, Thirty Bench, Sandhill and Red Rooster estate wineries.

A number of industry awards were received during the year. Our Vintners Quality Alliance ("VQA") brands won a total of 321 awards in fiscal 2016 including Thirty Bench being named Small Winery of the Year at the National Wine Align Awards, the highest distinction in the Canadian wine industry. Thirty Bench winemaker Emma Garner was also awarded 2015 Winemaker of the Year, while our Trius winery was named Best Ontario Winery of the Year at the Ontario Wine awards. In Western Canada, our Sandhill brands led the industry with more than 65 awards, while our Red Rooster portfolio performed exceptionally well with 60 awards for its current and new product offerings.

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* in Eastern Canada and *Copper Moon* in Western Canada remained the second and third largest wine brands in our markets with solid increases in volume sales growth during the year.

Our higher margin VQA brand portfolio continues to perform well with our *Peller Estates Family Series*, *Wayne Gretzky Wines*, and *Red Rooster* remaining among the top-selling brands in our markets. Our premium *Trius* wines remained a solid performer, supported by strong media attention from an invitation to showcase its sparkling wine and award-winning Trius Red at a celebrity pre-Oscar party in Hollywood in March 2016. In Western Canada, our Sandhill Winery in Kelowna, B.C. celebrated its second year with solid increases in visitors to the winery and strong

sales growth. 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 export business continues to flourish with our wines now sold in 24 countries. More than thirty Michelin Star restaurants have chosen Peller Estates Icewine, including top renowned culinary establishments such as Gordon Ramsay, Joël Robuchon and Hakkasan, while a number of the world's finest retailers including Selfridges, Harrods and Harvey Nichols in London, England stock our products. They are also served on Celebrity, P&O and Cunard cruise ships, offered inflight on Air Canada business class flights, as well as in Montreal's Maple Leaf Airport Lounge.

An Exciting Future

The Canadian wine business remains strong and growing, driven by increased consumption by consumers who have adopted wine as their beverage of choice, the widely reported health benefits of moderate wine consumption, and those who favour the more sophisticated experience wine delivers. For the year ended March 31, 2016 consumption of wine in our markets rose by approximately 3.0% following a 3.5% increase in fiscal 2015, while Canadian-made wines experienced an increase in market share to 38.0% from 37.4% in fiscal 2015. The Company's share of our Canadian markets was 14.4% in fiscal 2016, up from 14.1% in fiscal 2015.

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 in the past.

Organic growth will continue to be driven by market share gains, the introduction of new products and packaging formats, and continuing success in our well-developed trade channels. We also continue to prudently evaluate accretive acquisition opportunities that expand and complement our presence within the Canadian wine market. Since 1995 we have successfully integrated fourteen acquisitions for a total investment of approximately $113.8 million, and all have made a solid contribution to our growth and performance.

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 believe our growth and strong operating performance will continue, 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.

John E. Peller
President and CEO

Randy A. Powell
Chairman

The Year's Top Awards
Ontario VQA

In fiscal 2016, VQA brands in Eastern Canada received a total of
142 MEDALS

Thirty Bench
2015 Small Winery of the Year
WineAlign Awards

Trius
2015 Ontario Winery of the Year
WineAlign Awards

The Canadian Winery of the Year Award is the highest distinction a winery can receive in the Canadian wine industry. With 1,408 wines being reviewed from 205 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.

Other 2015 WineAlign Awards included:

PLATINUM AWARD

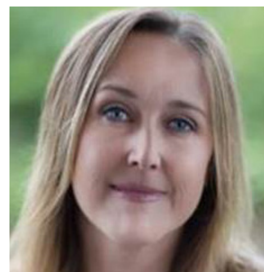
- **2013 Thirty Bench Small Lot Riesling "Triangle Vineyard"**

GOLD AWARDS

- **Trius Showcase Sparkling Blanc de Noir**
- **2013 Trius Showcase Vidal Icewine**
- **2013 Trius Showcase Outlier Gewürztraminer**
- **2012 Trius Showcase Red Shale Cabernet Franc**
- **2012 Andrew Peller Signature Series Cabernet Franc**
- **2013 Peller Estates Private Reserve Cabernet Franc**
- **2013 Thirty Bench Small Lot Riesling "Wild Cask"**
- **2013 Thirty Bench Small Lot Gewürztraminer**

Award winners in the Lieutenant Governor's Award for Excellence in Ontario Wines included:

- **2013 Andrew Peller Signature Series Sauvignon Blanc**
- **2013 Peller Estates Private Reserve Gamay Noir**
- **2013 Thirty Bench Small Lot Riesling "Wild Cask"**



- **Emma Garner**
  2015 Winemaker of the Year
  Ontario Wine Awards

- **2013 Andrew Peller Signature Series Sauvignon Blanc**
  2015 White Wine of the Year
  Ontario Wine Awards

2015
THE CHAMPAGNE & SPARKLING WINE
WORLD CHAMPIONSHIPS

- **Trius Brut** won *Best Canadian Sparkling* at the Champaign & Sparkling Wine World Championship in London, UK.

The Year's Top Awards
British Columbia VQA

In fiscal 2016, VQA brands in Western Canada received a total of

179 MEDALS

DOUBLE GOLD
- **2013 Red Rooster Reserve Meritage**
  Best of BC Wine Awards 2016 by *Okanagan Life*

OkanaganLife
BEST OF BC
WINE
AWARDS
2016

Gold awards from the 2016 Pacific Rim Wine Competition included:
- **2015 Red Rooster Pinot Gris**
- **2015 Sandhill Pinot Gris**
- **2015 Sandhill Rosé**

- **2012 Red Rooster Reserve Merlot**
  2016 Lieutenant Governor's Award for Excellence

DOUBLE GOLD
- **2015 Red Rooster Red Blend**
  2016 Los Angeles International Wine and Spirits Competition

Other Gold awards from various competitions included:
- **2014 Sandhill Gamay Noir**
  2016 All Canadian Wine Championships
- **2014 Wayne Gretzky Okanagan Signature Series Pinot Noir**
  2016 All Canadian Wine Championships
- **2014 Conviction Pinot Grigio**
  2015 Grand Harvest Awards
- **2014 Conviction Sovereign Opal**
  2015 Grand Harvest Awards
- **2015 Peller Family Series Pinot Blanc**
  2016 Okanagan Spring Wine Festival

MANAGEMENT'S DISCUSSION & ANALYSIS

For the three months and year ended March 31, 2016

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, 2016 in comparison with those for the three months and year ended March 31, 2015. This discussion is prepared as of June 15, 2016 and should be read in conjunction with the audited annual consolidated financial statements and accompanying notes contained therein for the years ended March 31, 2016 and 2015. Additional information relating to Andrew Peller Limited, including the audited consolidated financial statements, MD&A and Annual Information Form for the years ended March 31, 2016 and March 31, 2015, is available on www.sedar.com. The financial years ending March 31, 2017, March 31, 2016, March 31, 2015, and March 31, 2014 are referred to as "fiscal 2017", "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 MD&A 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.

OVERVIEW

The Company's 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. Furthermore, the Company's product portfolio covers the complete spectrum of price levels within the Canadian wine market. 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 a continual review of its operations and 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 2, 2016 the Company's Board of Directors approved a 9% increase in common share dividends for shareholders of record on June 30, 2016 payable on July 8, 2016. The annual amount of dividends on Class A Shares was increased to $0.490 per share from $0.450 per share and the dividends on Class B Shares was increased to $0.426 per share from $0.391 per share. APL currently designates all dividends paid as "eligible dividends" for purposes of the *Income Tax Act* (Canada), unless indicated otherwise.

In February 2016, the Government of Ontario's Premier Advisory Council completed its review of the beverage alcohol retailing and distribution system in Ontario. The recommendations will result in issuance of 150 new wine licenses over the next ten years to allow for the sale of both imported and domestic wine in grocery stores. Initially, 70 licenses will be issued, 35 of which will allow for the sale of imported and domestic wine. The Company will have immediate access to these stores as an extension to its current distribution channel of independent retail stores. The remaining 35 licenses will carry only Ontario Vintners Quality Alliance ("VQA") wine for an initial period of three years, during which the Company will not have access to sell in these stores. After the three-year period, these licenses will automatically permit the sale of all wine. The Company has also committed to move at least 14 of its 100 independent retail locations to inside the main aisles of the grocery store by May 2017. These stores will be co-located next to beer and will also feature other Ontario VQA wines. The Company is not required to move its remaining independent retail locations and wine licenses will not be granted to grocery stores where the Company already has a winery retail store. This project is still in its early stages and at this point the Company doesn't anticipate material impact as the increase in sales due to being located in the stores is expected to compensate for potential lost sales due to providing shelf space to other wineries and higher tax rates imposed on these locations.

On December 3, 2015 the Company announced that it had been awarded "Canadian Wine Producer of the Year" by the International Wine and Spirit Competition ("IWSC"). Established in 1969, the IWSC was the first competition to seek out the best wines, spirits and liqueurs from around the globe. Now one of the world's foremost wine competitions, the IWSC's panel of carefully selected industry experts comprised of Masters of Wine, wine buyers, sommeliers, qualified wine educators and respected wine journalists judges wines from more than 90 countries in a rigorous seven-month process that includes a double-blind tasting as well as chemical and microbiological analysis. An IWSC award is recognized internationally as a badge of excellence and quality.

On October 7, 2015 the Company announced that its GVI subsidiary had been recognized by Clean50 as one of its Top 15 Projects for GVI's innovative approach to environmental sustainability. Canada's Clean50 annually recognizes Canada's leaders in sustainability for their contributions over the prior two years. The Clean50 Top15 Projects recognize those projects completed in the prior two years based on their innovation. The award-winning project for GVI has identified opportunities to save significant amounts of water, electricity and natural gas while at the same reducing the use of approximately 27 hectares of vineyards to produce the same quantity of finished product.

On September 4, 2015 the Company announced that it had filed planning documents for the development of the new Wayne Gretzky Estate Winery and Craft Distillery in Niagara-on-the-Lake, Ontario. Located on land adjacent to the Company's Trius Winery, the proposed 15,000 square foot facility will include a winery, craft distillery, barrel aging cellars, tasting rooms, retail and hospitality facilities, all surrounded by landscaping and vineyards. The Company established its strategic alliance with the Wayne Gretzky Estate Winery in 2011, and has generated significant growth in their brands to where their wines are now among the top-ten best sellers across Canada. The new winery is expected to open in the spring of 2017 and will add to the significant investments the Company has made in its Peller Estates, Trius, Thirty Bench, Sandhill and Red Rooster estate wineries.

On April 1, 2015 the Company adopted International Accounting Standards Board (IASB) amendments to IAS 16 – Property, Plant, and Equipment, and IAS 41 – Agriculture, which require bearer plants to be classified as property, plant, and equipment and accounted for under IAS 16. The Company has determined that grape vines controlled by the Company are within the scope of these amendments. While the amended standards are effective for annual periods beginning on or after January 1, 2016, early application of these standards is permitted. The Company elected to apply these amendments effective April 1, 2015. Comparative period information was re-stated beginning April 1, 2014 to reflect the adoption of these amendments.

In 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.

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, 2016 consumption of wine in Canada (excluding Quebec, where the Company does not participate and excluding the refreshment wine category) rose by 3% after increasing by 3.5% in fiscal 2015. Imported wines accounted for 61.1% of total volume in fiscal 2016 down from 61.7% in fiscal 2015. Canadian-made wines experienced an increase in market share from 37.4% in fiscal 2015 to 38% in fiscal 2016. The Company's share of the total Canadian market in fiscal 2016 was 14.4% compared to 14.1% in 2015.

The 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 from 11.5% to 12.1% for BC VQA wines and decreased from 12.1% to 11.8% for Ontario VQA wines due to the short crop in Ontario. The Company carries tight inventory levels on VQA wines whereas other VQA wineries had excess stock that they could sell during the short crop year and gain share relative to the Company.

Red table wines continued to grow in popularity with total Canadian volume sales rising 3.7% in fiscal 2016 compared to 4.4% in 2015. Volume sales of the Company's red wine portfolio increased 5.3% in fiscal 2016 after increasing by 8.2% in fiscal 2015. Continued strong growth in the red segment of the market relates to the growth of the Company's Black Cellar brand which is a red focused wine brand. Volume sales of white table wines in Canada rose 3.7% in fiscal 2016 versus 4.7% in fiscal 2015 while the Company's sales of white table wines were up 5.3% in fiscal 2016 compared to 5.8% in fiscal 2015.

Results of Operations

For the year ended March 31, (in $000, except per share amounts)	**2016**	2015 [1]	2014 [1]
Sales	**$ 334,263**	$ 315,697	$ 297,824
Gross margin	**122,964**	114,869	107,869
Gross margin (% of sales)	**36.8%**	36.4%	36.2%
Selling and administrative expenses	**82,048**	79,685	74,253
EBITA	**40,916**	35,184	33,616
Net unrealized (loss) gain on derivative financial instruments	**(1,558)**	(572)	750
Other income (expenses)	**40**	301	(78)
Adjusted earnings	**20,322**	15,425	13,982
Net earnings	**19,199**	15,224	13,437
Earnings per share – basic and diluted - Class A	**$1.38**	$1.09	$0.97
Earnings per share – basic and diluted - Class B	**$1.20**	$0.96	$0.84
Dividend per share – Class A (annual)	**$0.450**	$0.420	$0.400
Dividend per share – Class B (annual)	**$0.391**	$0.365	$0.348

1. Restated to reflect the early adoption of the amendments to IAS 16 and IAS 41.

Sales for the year ended March 31, 2016 increased 5.9% compared to fiscal 2015 due to strong organic growth as well as the introduction of new products and categories. Sales growth was broad based across the majority of the Company's products and markets, including its two wine import and marketing agencies and its personal winemaking business.

The Company defines gross margin as gross profit excluding amortization. Gross margin as a percentage of sales improved to 36.8% for the year March 31, 2016 compared to 36.4% in fiscal 2015. Gross margin in fiscal 2016 benefited from the positive impact of the Company's cost control initiatives to improve productivity and raw material cost savings, which offset the negative impact of the weak Canadian dollar compared to the prior year, as well as lower discounting of selling prices in Ontario related to a short crop resulting from the prior two unusually cold winters. In addition, the Company incurred a one-time $1.7 million charge to cost of sales mostly in the fourth quarter due to quality issues in certain imported wines used to produce its International Canadian Blended ("ICB") value-priced wines. Management is focused on efforts to further enhance production efficiency and productivity.

Selling and administrative expenses in fiscal 2016 were higher than the prior year, however, as a percentage of sales, selling and administrative expenses improved to 24.5% of revenues from 25.2% of revenues in the prior year. The Company is focused on ensuring selling and administrative expenses are tightly controlled, however it expects selling expenses will increase in fiscal 2017 to support the launch of additional new products and the new Wayne Gretzky Estate Winery and Craft Distillery.

Earnings before interest, amortization, net unrealized gains and losses on derivative financial instruments, other (income) expenses, and income taxes ("EBITA") were $40.9 million for the year March 31, 2016, an increase of 16.3% compared to $35.2 million last year. The increase in EBITA is primarily the result of the higher sales and improved gross margin in fiscal 2016.

Interest expense decreased for the year March 31, 2016 compared to the prior year due to lower interest rates charged on bank debt and lower debt levels.

The Company recorded a net unrealized non-cash loss in fiscal 2016 and fiscal 2015 related to mark-to-market adjustments on interest rate swaps and foreign exchange contracts. The increase in the net unrealized loss in fiscal 2016 is due to the improvement in the Canadian dollar at March 31, 2016, following sharp declines in value throughout the latter half of the fiscal 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 consolidated statement of earnings each reporting period. These instruments are considered to be effective economic hedges and have enabled management to mitigate the short-term volatility of changing foreign exchange and interest rates.

Other income in fiscal 2016 and fiscal 2015 related primarily to income from the temporary expropriation of the Company's 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 net unrealized gains and losses on derivative financial instruments, other (income) expenses and the related income tax effect, were $20.3 million for the year March 31, 2016 compared to $15.4 million in the prior year. Net earnings for the year ended March 31, 2016 were $19.2 million or $1.38 per Class A Share compared to $15.2 million or $1.09 per Class A Share in fiscal 2015.

The Company believes that sales will continue to grow in fiscal 2017 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 2017 the higher average cost of U.S. dollar currency purchases may have a larger negative impact on gross margins, although management believes this will be partially offset by the Company's continued ability to leverage scale and successful cost control initiatives to reduce distribution, operating and packaging expenses and raw material cost savings.

The Company uses foreign exchange forward contracts to protect against changes in foreign currency rates and, as at March 31, 2016, had locked in $19.5 million in U.S. dollar contracts at rates averaging $1.36 Canadian, €3.0 million in Euro contracts at rates averaging $1.51 Canadian, and $4.1 million in Australian dollar contracts at rates averaging $0.96 Canadian. These contracts expire at various dates through December 31, 2016.

Quarterly Performance

The following table outlines key quarterly highlights.

(in $000, except per share amounts)	Q4 16	Q3 16	Q2 16	Q1 16	Q4 15[1]	Q3 15[1]	Q2 15[1]	Q1 15[1]
Sales	$74,170	$91,775	$85,200	$83,118	$68,791	$84,630	$82,759	$79,517
Gross margin	25,160	33,277	32,716	31,811	24,576	31,152	29,990	29,151
Gross margin (% of sales)	33.9%	36.3%	38.4%	38.3%	35.7%	36.8%	36.2%	36.7%
EBITA	3,614	12,445	12,011	12,846	4,635	11,024	9,507	10,018
Net unrealized (loss) gain on financial instruments	(2,479)	525	711	(315)	(622)	(50)	1,225	(1,125)
Other income (expenses)	(21)	(68)	68	61	115	72	71	43
Adjusted earnings	191	6,807	6,447	6,877	886	5,666	4,079	4,794
Net earnings (loss)	(1,659)	7,146	7,023	6,689	510	5,682	5,038	3,994
E.P.S. – Class A basic & diluted	$(0.12)	$0.51	$0.51	$0.48	$0.03	$0.41	$0.36	$0.29
E.P.S. – Class B basic & diluted	$(0.11)	$0.45	$0.44	$0.42	$0.03	$0.36	$0.32	$0.25

1. Restated to reflect the early adoption of the amendments to IAS 16 and IAS 41.

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 2016 increased 7.8% compared to the same quarter of fiscal 2015 due primarily to strong organic growth across most of the Company's trade channels, including its network of retail outlets in Ontario, its export markets, its two wine import and marketing agencies, provincial liquor control boards across the country, and in its personal winemaking business. Gross margin for the three months ended March 31, 2016 was 33.9% of sales, lower than 35.7% in the prior year's fourth quarter. Gross margin in the fourth quarter of 2016 was impacted by the one-time charge to cost of sales due to quality issues in certain imported wines used to produce its International Canadian Blended ("ICB") value-priced wines. Selling and administrative expenses increased in the fourth quarter of fiscal 2016 due to the timing of marketing activities, support for recent new product launches, and incentive programs related to the strong sales growth for the year. EBITA was $3.6 million for the three months ended March 31, 2016, down from $4.6 million for the same quarter in fiscal 2015 due primarily to the one-time charge to cost of sales and increase in selling and administrative expenses. The Company incurred adjusted earnings for the three months ended March 31, 2016 of $0.2 million compared to adjusted earnings of $0.9 million in the same prior year period. The Company incurred a net loss of $1.7 million or $0.12 per Class A share for the three months ended March 31, 2016 compared to net earnings of $0.5 million or $0.03 per Class A Share in the fourth quarter of fiscal 2015.

Liquidity and Capital Resources

As at (in $000)		**March 31, 2016**		March 31, 2015 [1]		March 31, 2014 [1]
Current assets	**$**	**150,867**	$	146,764	$	146,127
Property, plant, and equipment		**108,929**		104,951		104,945
Intangibles		**11,040**		12,331		13,209
Goodwill		**37,473**		37,473		37,473
Total assets	**$**	**308,309**	$	301,519	$	301,754
Current liabilities	**$**	**79,202**	$	77,782	$	101,563
Long-term debt		**48,202**		52,269		38,328
Long-term derivative financial instruments		**1,529**		1,447		268
Post-employment benefit obligations		**5,947**		6,165		6,132
Deferred income		**102**		506		910
Deferred income tax		**15,591**		15,975		16,003
Shareholders' equity		**157,736**		147,375		138,550
Total liabilities and shareholders' equity	**$**	**308,309**	$	301,519	$	301,754

1. Restated to reflect the early adoption of the amendments to IAS 16 and IAS 41.

Inventory increased at March 31, 2016 compared to March 31, 2015 due to a larger harvest compared to last year, resulting in an increase in bulk wine, and an increase in finished goods as a result of the introduction of new products. These increases have been partially offset by the one-time charge related to quality issues in certain imported products used to produce the Company's ICB value-priced wines which reduced inventories at year-end. 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, 2016 compared to March 31, 2015 due to the increase in sales during fiscal 2016 which are predominantly with provincial liquor boards and to a lesser extent licensed establishments and independent retailers of consumer made wine products. The Company had $14.9 million of accounts receivable with provincial liquor boards at March 31, 2016, 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 $1.4 million at March 31, 2016, compared to $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.

Overall bank debt declined to $86.0 million as at March 31, 2016 compared to $89.0 million at March 31, 2015 as a result of strong earnings and working capital management, and scheduled long-term debt repayments.

The following table outlines the Company's contractual obligations:

As at March 31, 2016 (in $000)	**< 1 year**	**2 - 3 years**	**4 - 5 years**	**> 5 years**	**Total**
Long-term debt	$ 4,106	$ 8,212	$ 40,440	$ -	52,758
Leases and royalties	5,001	5,793	3,113	7,991	21,898
Pension obligations	841	1,034	734	1,463	4,072
Grape and bulk wine purchase contracts	102,955	85,648	49,404	114,736	352,743
Bulk whiskey purchase contracts	624	605	80	-	1,309
	113,527	101,292	93,771	124,190	432,780
Interest rate swap	1,722	3,027	1,487	-	6,236
Foreign exchange forwards	35,011	-	-	-	35,011
Total contractual obligations	$ 150,260	$ 104,319	$ 95,258	$ 124,190	474,027

The Company also has contractual commitments of $10.7 million to purchase property, plant and equipment and expects to fund these commitments primarily through its cash flows from operations.

The ratio of debt to equity was 0.55:1 at March 31, 2016 compared to 0.60:1 at March 31, 2015. At March 31, 2016 the Company had unutilized debt capacity in the amount of $56.3 million on its operating loan facility.

On August 7, 2015, the Company amended its debt facilities to extend the maturity date to July 31, 2020 and reduce the floating interest rate in relation to the one to six-month Canadian Dealer Offered Rate (CDOR) to CDOR plus an applicable margin based on the Company's leverage. For the year ended March 31, 2016, the applicable margin was 1.25%. The interest rate on the Company's term loans remains fixed until July 31, 2020 as a result of interest rate swaps.

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.

For the year ended March 31, 2016 the Company generated cash from operating activities, after changes in non-cash working capital items, of $21.8 million compared to $25.8 million in the prior year. Higher earnings in fiscal 2016 were offset by an increase in inventory and accounts receivable.

Investing activities of $10.4 million were made in fiscal 2016 compared to $8.8 million in the prior year. Capital expenditures in fiscal 2016 consisted of normal expenditures to sustain operations and the replanting of certain of the Company's vineyards, as well as certain costs incurred related to the development of the new Wayne Gretzky Estate Winery and Craft Distillery. As at March 31, 2016, the Company had expended $3.1 million on this project.

Working capital as at March 31, 2016 increased to $71.7 million compared to $69.0 million at March 31, 2015. Accounts receivable and inventory increased due to the sales growth and a larger harvest compared to fiscal 2015, while bank indebtedness increased slightly. Shareholders' equity as at March 31, 2016 was $157.7 million or $11.11 per common share compared to $147.4 million or $10.31 per common share as at March 31, 2015. The increase in shareholders' equity is due to the increase in net earnings partially offset by the payment of dividends and the repurchase and cancellation of 100,000 Class A Shares.

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, 2016	March 31, 2015	March 31, 2014
Class A Shares	11,193,829	11,293,829	11,293,829
Class B Shares	3,004,041	3,004,041	3,004,041
Total	14,197,870	14,297,870	14,297,870

In February 2016, the Company repurchased and cancelled 100,000 Class A Shares from Jalger Limited, a related party. The repurchase price was calculated by reference to the average closing market price of the Class A Shares for a period of 20 business days preceding the repurchase date. The repurchase price of $2.3 million was first allocated to capital stock based on the average per share carrying amount of the Class A Shares. The remaining amount was allocated to retained earnings.

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 Company will also be entering the spirits category, through its strategic alliance with Wayne Gretzky, and will introduce cider through its own brand labels.

The market for wine in Canada continues to grow due to a movement toward the consumption of wine 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 by 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 2017 and fiscal 2018.

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 spirits, 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 2017 while gross margin dollars are expected to remain stable. The higher costs of U.S. dollar currency purchases may have a negative impact on gross margin percentage in fiscal 2017 which is expected to be partially offset by 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, Euro and Australian dollar exchange rates. The Company does not enter into foreign exchange contracts for trading or speculative purposes. These contracts are reviewed periodically. Based on the Company's forecasts for foreign currency purchases and the amount of foreign exchange forward contracts outstanding at March 31, 2016, each one percent change in the value of the U.S. dollar, Euro and Australian dollar will not have a material 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 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, other taxes and mark-ups 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, taxes or mark-ups 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 some 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. Although significant price discounting may occur in Canada beyond current levels, the Company believes that its product quality, advertising and promotional support along with its competitive pricing strategies will effectively mitigate the impact of this to APL.

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 lessee 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, net unrealized gains and losses on derivative financial instruments, other (income) expenses, 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 $000)	**2016**	2015[1]	**2016**	2015[1]
Net earnings (loss)	**$ (1,659)**	$ 510	**$ 19,199**	$ 15,224
Add: Interest	**786**	1,125	**3,575**	4,847
Provision for (recovery of) income taxes	**(569)**	-	**6,916**	5,548
Amortization of plant and equipment used in production	**1,544**	1,500	**6,069**	5,859
Amortization of equipment and intangibles used in selling and administration	**1,012**	993	**3,639**	3,435
Net unrealized loss on derivative financial instruments	**2,479**	622	**1,558**	572
Other (income) expenses	**21**	(115)	**(40)**	(301)
EBITA	**$ 3,614**	$ 4,635	**$ 40,916**	$ 35,184

1. Restated to reflect the early adoption of the amendments to IAS 16 and IAS 41.

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 $000)	**2016**	2015[1]	**2016**	2015[1]
Sales	**$ 74,170**	$ 68,791	**$ 334,263**	$ 315,697
Less: Cost of goods sold, excluding amortization	**49,010**	44,215	**211,299**	200,828
Gross margin	**$ 25,160**	$ 24,576	**$ 122,964**	$ 114,869
Gross margin (% of sales)	**33.9%**	35.7%	**36.8%**	36.4%

1. Restated to reflect the early adoption of the amendments to IAS 16 and IAS 41.

The Company calculates adjusted earnings as follows.

For the three months and year ended March 31, (in $000)	Three months 2016	Three months 2015[1]	Year 2016	Year 2015[1]
Net earnings (loss)	**$ (1,659)**	$ 510	**$ 19,199**	$ 15,224
Net unrealized loss on derivative financial instruments	**2,479**	622	**1,558**	572
Other (income) expenses	**21**	(115)	**(40)**	(301)
Income tax effect of the above	**(650)**	(131)	**(395)**	(70)
Adjusted earnings	**$ 191**	$ 886	**$ 20,322**	$ 15,425

1. Restated to reflect the early adoption of the amendments to IAS 16 and IAS 41.

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.

Transactions with related parties

The Company is controlled by Jalger Limited, which owns 66.5% of the Company's Class B voting shares. No individual has sole voting power or control in respect of the shares of the Company owned by Jalger Limited. In February 2016, the Company repurchased and cancelled 100,000 Class A Shares from Jalger Limited, a related party. This transaction was approved by the Company's Board of Directors.

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

For the year ended March , 31 (in $000)	2016	2015
Compensation and short-term benefits	$ **4,939**	$ 5,017
Post-employment benefits	**248**	246
Payments to a share purchase plan	**409**	258
	$ **5,596**	$ 5,521

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

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 could materially affect the Company's financial position or financial performance. The Company's significant accounting policies are discussed in the notes to the consolidated financial statements for the years ended March 31, 2016 and March 31, 2015. Critical estimates inherent in these accounting policies are set out below.

Impairment of goodwill

Testing goodwill for impairment at least annually involves estimating the recoverable amount of the cash generating units 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. The Company has concluded that a 10% change in any key assumptions in the goodwill impairment test would not result in an impairment of goodwill as at March 31, 2016 and March 31, 2015.

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 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.

Biological Assets

During fiscal 2015, the Company measured biological assets, consisting of grape vines, at fair value less costs to sell. Gains or losses arising from a change in fair value less costs to sell were included in the consolidated statement of earnings in the period in which they arose.

Due to the adoption of the amendments to IAS 16 – Property, Plant, and Equipment and IAS 41 – Agriculture during fiscal 2016 explained below, grape vines have been restated and are now measured at cost and amortized over the useful lives in accordance with IAS 16. Consequently, management has determined that the estimates used to measure grape vines no longer result in critical accounting estimates.

Recently Adopted Accounting Pronouncements

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 controls bearer plants consisting of grape vines and has elected to apply these amendments effective April 1, 2015, which is prior to the mandatory effective date. The earliest comparative period presented in the financial statements after adopting the amended standards began on April 1, 2014. The Company has elected to measure bearer plants using their fair value on that date as their deemed cost.

The following tables summarize the impact of adopting the amendments to IAS 16, Property, Plant, and Equipment and IAS 41, Agriculture:

Impact on the consolidated statements of earnings and comprehensive income	**For the year ended March 31, 2015 - as reported**	**Impact of IAS 16 and IAS 41 changes**	**For the year ended March 31, 2015 - as restated**
Net earnings for the year	15,761	(537)	15,224
Net earnings per share			
Basic and diluted			
Class A shares	1.13	(0.04)	1.09
Class B shares	0.99	(0.03)	0.96
Net comprehensive income for the year	15,201	(537)	14,664

Recently Issued Accounting Pronouncements

In 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. These amendments are effective for first interim periods within annual periods beginning on or after January 1, 2016. The Company is currently evaluating the potential impact of this standard.

In 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 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.

In 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.

In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases and related Interpretations. The new standard will be effective for fiscal years beginning on or after January 1, 2019, with early adoption permitted provided the Company has adopted IFRS 15, Revenue from Contracts with Customers. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts, and record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. Given that the Company has significant contractual obligations in the form of operating leases under IAS 17, there will be a material increase to both assets and liabilities upon adoption of IFRS 16, and material changes to the timing of recognition of expenses associated with the lease arrangements. The Company is analyzing the new standard to determine its impact on the Company's consolidated balance sheet and consolidated statement of earnings.

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

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 disclosures 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 presentation.

Designing, establishing and maintaining adequate internal controls over financial reporting is 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, 2016, 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 15, 2016, 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 15, 2016

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, 2016, March 31, 2015 and April 1, 2014 and the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for the years ended March 31, 2016 and March 31, 2015, 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, 2016, March 31, 2015 and April 1, 2014 and its financial performance and its cash flows for the years ended March 31, 2016 and March 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of matter

Without modifying our opinion, we draw attention to note 24 to the consolidated financial statements, which describes the early adoption of IAS 16 - Property, Plant and Equipment, and IAS 41, Agriculture, related to the accounting for biological assets.

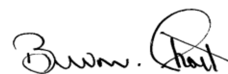
PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Consolidated Balance Sheets
(in thousands of Canadian dollars)

	March 31, 2016	March 31, 2015 (note 24 - as restated)	April 1, 2014 (note 24 - as restated)
Assets			
Current assets			
Accounts receivable (note 20)	$ **28,223**	$ 25,616	$ 22,693
Inventories (note 4)	**119,666**	117,812	120,751
Biological assets (note 6)	**1,196**	1,129	1,062
Prepaid expenses and other assets	**1,782**	2,207	1,381
Income taxes recoverable (note 14)	**-**	-	240
	150,867	146,764	146,127
Property, plant and equipment (note 5)	**108,929**	104,951	104,945
Intangible assets (note 7)	**11,040**	12,331	13,209
Goodwill (note 8)	**37,473**	37,473	37,473
	$ **308,309**	$ 301,519	$ 301,754
Liabilities			
Current liabilities			
Bank indebtedness (note 9)	$ **33,701**	$ 32,522	$ 54,407
Accounts payable and accrued liabilities (note 10)	**36,772**	36,712	37,371
Dividends payable	**1,553**	1,460	1,391
Income taxes payable (note 14)	**2,425**	1,902	-
Current portion of derivative financial instruments (note 20)	**645**	992	1,002
Current portion of long-term debt (note 11)	**4,106**	4,194	7,392
	79,202	77,782	101,563
Long-term debt (note 11)	**48,202**	52,269	38,328
Long-term derivative financial instruments (note 20)	**1,529**	1,447	268
Post-employment benefit obligations (note 12)	**5,947**	6,165	6,132
Deferred income (note 13)	**102**	506	910
Deferred income taxes (note 14)	**15,591**	15,975	16,003
	150,573	154,144	163,204
Shareholders' Equity			
Capital stock (note 15)	**6,967**	7,026	7,026
Retained earnings	**154,605**	143,847	134,462
Accumulated other comprehensive loss	**(3,836)**	(3,498)	(2,938)
	157,736	147,375	138,550
	$ **308,309**	$ 301,519	$ 301,754

Director



Director

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

Consolidated Statements of Earnings
For the years ended March 31, 2016 and March 31, 2015
(in thousands of Canadian dollars, except per share amounts)

	2016	2015 (note 24 - as restated)
Sales	$ **334,263**	$ 315,697
Cost of goods sold, excluding amortization (note 16)	**211,299**	200,828
Amortization of plant and equipment used in production	**6,069**	5,859
Gross profit	**116,895**	109,010
Selling and administration (note 16)	**82,048**	79,685
Amortization of equipment and intangible assets used in selling and administration	**3,639**	3,435
Interest	**3,575**	4,847
Operating earnings	**27,633**	21,043
Net unrealized loss on derivative financial instruments (note 20)	**1,558**	572
Other income (note 16)	**(40)**	(301)
Earnings before income taxes	**26,115**	20,772
Provision for (recovery of) income taxes (note 14)		
Current	**7,181**	5,379
Deferred	**(265)**	169
	6,916	5,548
Net earnings for the year	$ **19,199**	$ 15,224
Net earnings per share (note 17)		
Basic and diluted		
Class A shares	$ **1.38**	$ 1.09
Class B shares	$ **1.20**	$ 0.96

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

Consolidated Statements of Comprehensive Income
For the years ended March 31, 2016 and March 2015
(in thousands of Canadian dollars)

	2016	2015 (note 24 - as restated)
Net earnings for the year	**$ 19,199**	$ 15,224
Items that are never reclassified to net earnings		
Net actuarial losses on post-employment benefit plans (note 12)	**(457)**	(757)
Deferred income taxes (note 14)	**119**	197
Other comprehensive loss for the year	**(338)**	(560)
Net comprehensive income for the year	**$ 18,861**	$ 14,664

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

Consolidated Statements of Changes in Equity
For the years ended March 31, 2016 and March 31, 2015
(in thousands of Canadian dollars)

	Capital stock	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
Balance at April 1, 2014 - as reported	$ 7,026	$ 133,915	$ (2,938)	$ 138,003
Impact of IAS 16 and IAS 41 amendments (note 24)	-	547	-	547
Balance at April 1, 2014 - as restated	7,026	134,462	(2,938)	138,550
Net earnings for the year (note 24 - as restated)	-	15,224	-	15,224
Net actuarial losses (net of $197 deferred tax recovery) (note 12)	-	-	(560)	(560)
Net comprehensive income for the year	-	15,224	(560)	14,664
Dividends (Class A $0.420 per share, Class B $0.365 per share)	-	(5,839)	-	(5,839)
Balance at March 31, 2015	$ 7,026	$ 143,847	$ (3,498)	$ 147,375
Balance at April 1, 2015	$ 7,026	$ 143,847	$ (3,498)	$ 147,375
Net earnings for the year	-	19,199	-	19,199
Net actuarial losses (net of $119 deferred tax recovery) (note 12)	-	-	(338)	(338)
Net comprehensive income for the year	-	19,199	(338)	18,861
Issue price of repurchased shares (note 15)	(59)	-	-	(59)
Excess of repurchase price over average per share issue price (note 15)	-	(2,195)	-	(2,195)
Dividends (Class A $0.450 per share, Class B $0.391 per share)	-	(6,246)	-	(6,246)
Balance at March 31, 2016	**$ 6,967**	**$ 154,605**	**$ (3,836)**	**$ 157,736**

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

Consolidated Statements of Cash Flows
For the years ended March 31, 2016 and March 31, 2015
(in thousands of Canadian dollars)

	2016	2015 (note 24 - as restated)
Cash provided by (used in)		
Operating activities		
Net earnings for the year	**$ 19,199**	$ 15,224
Adjustments for		
Loss on disposal of property, plant and equipment	**397**	429
Amortization of plant, equipment and intangible assets	**9,708**	9,294
Interest expense	**3,575**	4,847
Provision for income taxes	**6,916**	5,548
Net unrealized loss on derivative financial instruments	**1,558**	572
Post-employment benefits	**(675)**	(724)
Deferred income	**(404)**	(404)
Interest paid	**(3,524)**	(4,476)
Income taxes paid	**(6,658)**	(3,237)
	30,092	27,073
Change in non-cash working capital items related to operations (note 19)	**(8,299)**	(1,236)
	21,793	25,837
Investing activities		
Proceeds from disposal of property, plant and equipment	**20**	10
Purchase of property, plant and equipment	**(10,401)**	(8,466)
Purchase of intangible assets	**-**	(369)
	(10,381)	(8,825)
Financing activities		
Increase (decrease) in bank indebtedness	**1,179**	(21,885)
Issuance of long-term debt	**-**	15,020
Repayment of long-term debt	**(4,088)**	(3,760)
Deferred financing costs	**(96)**	(617)
Dividends paid	**(6,153)**	(5,770)
Repurchase of Class A shares (note 15)	**(2,254)**	-
	(11,412)	(17,012)
Cash - Beginning and end of year	**$ -**	$ -
Supplementary information		
Property, plant and equipment acquired that was unpaid in cash and included in accounts payable and accrued liabilities	**2,458**	47

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

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).

The Company has adopted amendments to IAS 16, Property, Plant and Equipment (IAS 16), and IAS 41, Agriculture (IAS 41), effective April 1, 2015 and accordingly has updated the significant accounting policies with respect to property, plant and equipment and biological assets. Refer to note 24 for a summary of the impact of adopting the amendments to IAS 16 and IAS 41 on the consolidated financial statements

These consolidated financial statements were approved by the Board of Directors for issue on June 15, 2016.

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.

Foreign currency translation

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than the Company's functional currency are recognized in the consolidated statements of earnings.

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 facilities. 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, vines and vineyard infrastructure and machinery and equipment is calculated on the straight-line basis in amounts sufficient to amortize the cost of buildings, vines and vineyard infrastructure and machinery and equipment over their estimated useful lives as follows:

Buildings	40 years
Vines and vineyard infrastructure	20 years
Machinery and equipment	5 to 20 years

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

Biological assets

At March 31, 2016, the Company measures biological assets, consisting of grapes grown on vineyards controlled by the Company, at cost, which approximates fair value as there has been minimal biological transformation since the initial cost incurred. The initial costs incurred are comprised of direct expenditures required to enable the biological transformation of agricultural produce.

At the point of harvest, the fair value of biological assets is determined by reference to local market prices for grapes of a similar quality and the same varietal. At this point, agricultural produce is measured at fair value less cost to sell, which 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 statements 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	4 - 9 years
Contract packaging	straight-line	10 years	3 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 impairment in intangible assets for the years ended March 31, 2016 and March 31, 2015.

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, 2016 and March 31, 2015.

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 loss 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, and financial assets and liabilities at fair value through profit or loss.

The Company has chosen to not apply hedge accounting to any of its derivative financial instruments. As a result of this policy choice, these derivative 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 cost 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 value 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 dispose 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 the chief operating decision maker allocates resources and assesses performance of the Company on a consolidated basis. Furthermore, 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 loss 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. Other comprehensive loss 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 other comprehensive loss in the period incurred.

Equity

The Company separately presents changes in equity related to capital stock, retained earnings and accumulated other comprehensive loss in the consolidated statements of changes in equity.

Recently adopted accounting pronouncements

In May 2014, the IASB issued amendments to IAS 16 and IAS 41, which require 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 controls bearer plants consisting of grape vines and has elected to apply these amendments effective April 1, 2015, which is prior to the mandatory effective date. The earliest comparative period presented in the consolidated financial statements after adopting the amended standards began on April 1, 2014. The Company has elected to measure bearer plants using their fair value on that date as their deemed cost in accordance with the transitional provisions. Refer to note 24 for details.

Recently issued accounting pronouncements

In December 2014, the IASB issued amendments to IAS 1, Presentation of Financial Statements, which clarify the concept of materiality as it applies to information disclose 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. These amendments are effective for first interim periods within annual periods beginning on or after January 1, 2016. The Company is currently evaluating the potential impact of this standard.

In 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.

In 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.

In January 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases and Related Interpretations. The new standard will be effective for fiscal years beginning on or after January 1, 2019, with early adoption permitted provided the Company has adopted IFRS 15, Revenue from Contracts with Customers. The new standard requires lessees to recognize a lease liability reflecting future lease payments and a "right-of-use asset" for virtually all lease contracts, and record it on the statement of financial position, except with respect to lease contracts that meet limited exception criteria. Given that the Company has significant contractual obligations in the form of operating leases (note 20) under IAS 17, there will be a material increase to both assets and liabilities on adoption of IFRS 16, and material changes to the timing of recognition of expenses associated with the lease arrangements. The Company is analyzing the new standard to determine its impact on the Company's consolidated balance sheets and consolidated statements of earnings.

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 dates of the consolidated financial statements, the reported amounts of revenues and expenses during the reporting periods 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. Management has concluded that a 10% change in any key assumption in the goodwill impairment test would not result in an impairment of goodwill as at March 31, 2016 and March 31, 2015.

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 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 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

		2016		**2015**
Packaging materials and supplies	**$**	**9,307**	$	8,726
Bulk wine		**64,697**		63,777
Finished goods		**45,662**		45,309
	$	**119,666**	$	117,812
Interest included in the cost of inventories	**$**	**635**	$	1,191

Inventory writedowns recognized as an expense amounted to $3,286 (2015 - $1,700).

The cost of inventories recognized as an expense and included in cost of goods sold, excluding amortization, was $208,013 (2015 - $198,794).

5 Property, plant and equipment

		Land		Vines, vineyard land and infrastructure (note 24 - as restated)		Buildings		Machinery and equipment		Total
At March 31, 2014										
Cost	$	4,777	$	40,446	$	43,033	$	101,688	$	189,944
Accumulated amortization		-		(5,474)		(15,793)		(63,732)		(84,999)
Net carrying amount		4,777		34,972		27,240		37,956		104,945
Year ended March 31, 2015										
Additions		39		349		447		7,606		8,441
Disposals		-		(334)		-		(105)		(439)
Amortization		-		(1,316)		(1,116)		(5,564)		(7,996)
Closing net carrying amount	$	4,816	$	33,671	$	26,571	$	39,893	$	104,951
At March 31, 2015										
Cost	$	4,816	$	40,461	$	43,480	$	107,632	$	196,389
Accumulated amortization		-		(6,790)		(16,909)		(67,739)		(91,438)
Net carrying amount		4,816		33,671		26,571		39,893		104,951
Year ended March 31, 2016										
Additions		-		359		1,882		10,571		12,812
Disposals		-		(377)		(3)		(37)		(417)
Amortization		-		(1,348)		(1,173)		(5,896)		(8,417)
Closing net carrying amount	**$**	**4,816**	**$**	**32,305**	**$**	**27,277**	**$**	**44,531**	**$**	**108,929**
At March 31, 2016										
Cost	**$**	**4,816**	**$**	**40,374**	**$**	**45,343**	**$**	**116,585**	**$**	**207,118**
Accumulated amortization		**-**		**(8,069)**		**(18,066)**		**(72,054)**		**(98,189)**
Net carrying amount	**$**	**4,816**	**$**	**32,305**	**$**	**27,277**	**$**	**44,531**	**$**	**108,929**

Included in machinery and equipment are assets amounting to $4,507 (2015 - $199) that are under development and are not being amortized.

Contractual commitments to purchase property, plant and equipment were $10,687 as at March 31, 2016 (2015 - $477).

Included in machinery and equipment are assets with a net carrying amount of $124 (2015 - $184) that were purchased under a finance lease.

6 Biological assets

Biological assets consist of 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, 2016, the Company harvested grapes valued at $6,479 (2015 - $5,374).

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

		2016		2015 (note 24 - as restated)
Carrying amount - Beginning of year	**$**	**1,129**	$	1,062
Net increase in fair value less costs to sell due to biological transformation		**6,546**		5,441
Transferred to inventory on harvest		**(6,479)**		(5,374)
Net gain		**67**		67
Biological assets	**$**	**1,196**	$	1,129

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, 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
Year ended March 31, 2016						
Additions	-	-	-	-	-	-
Amortization	-	(665)	(110)	(384)	(132)	(1,291)
Closing net carrying amount	**$ 3,975**	**$ 5,326**	**$ 237**	**$ 1,236**	**$ 266**	**$ 11,040**
At March 31, 2016						
Cost	**$ 4,175**	**$ 11,147**	**$ 1,100**	**$ 2,133**	**$ 1,917**	**$ 20,472**
Accumulated amortization and impairment	**(200)**	**(5,821)**	**(863)**	**(897)**	**(1,651)**	**(9,432)**
Net carrying amount	**$ 3,975**	**$ 5,326**	**$ 237**	**$ 1,236**	**$ 266**	**$ 11,040**

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:

	2016	2015
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:

	2016	**2015**
Pre-tax discount rate	**11%**	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).

	2016	**2015**
Bank indebtedness	**$ 33,701**	**$ 32,522**
Significant terms		
Committed until	**July 31, 2020**	April 28, 2019
Borrowing limit	**$90,000**	$90,000
Interest rate	**CDOR + 1.25%**	CDOR + 1.50%
Unused amount	**$56,299**	$55,400

10 Accounts payable and accrued liabilities

	2016	**2015**
Trade payables	**$ 25,201**	$ 26,248
Accrued liabilities	**9,703**	9,657
Deferred revenue	**338**	319
Foreign exchange forward contracts liability (note 20)	**1,126**	-
Restructuring provision	**-**	84
Deferred income (note 13)	**404**	404
	$ 36,772	$ 36,712

11 Long-term debt

	2016	2015
Term loan	$ **52,333**	$ 56,333
Other	**425**	531
Finance lease obligation	**-**	88
	52,758	56,952
Less: Financing costs	**450**	489
	52,308	56,463
Less: Current portion	**4,106**	4,194
	$ **48,202**	$ 52,269

On April 28, 2014, the Company amended its debt facilities including the term loan. The terms of the debt facilities require monthly principal repayments until maturity of $333. Interest is based on the one to six-month CDOR rates plus an applicable margin based on the Company's leverage. On August 7, 2015, the Company amended its debt facilities to extend the maturity date from April 28, 2019 to July 31, 2020 and reduce the applicable margin based on the Company's leverage, as defined by the amended credit agreement. As at March 31, 2016, the applicable margin was 1.25% (2015 - $1.50%).

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 at 2.16%, plus applicable margin from September 1, 2015 to April 26, 2019. The Company's previous interest rate swap that fixed the interest rate on the term loan at 3.18%, plus applicable margin matured on August 31, 2015.

On December 2, 2015, the Company entered into a new interest rate swap with an effective date of April 30, 2019 and a termination date of July 31, 2020 to fix the interest rate on the term loan at 1.65%, plus applicable margin.

The Company also has a $15,000 term facility, which is available until July 31, 2020 and can be drawn on for the purpose of making capital expenditures. No amounts were drawn on this facility at March 31, 2016.

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

Interest expense on long-term debt during the year was $2,297 (2015 - $2,945).

12 Post-employment benefits

Defined contribution plans

The total expenses for the defined contribution savings plans were $1,432 (2015 - $1,388).

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's 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's 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:

	Pension benefits	Other post-employment benefits	Total
			2016
Plan assets			
Fair value - Beginning of year	$ 21,030	$ -	$ 21,030
Return on plan assets excluding amounts in interest income	(1,044)	-	(1,044)
Interest income	761	-	761
Company's contributions	1,471	111	1,582
Benefits paid	(1,252)	(111)	(1,363)
Fair value - End of year	$ 20,966	$ -	$ 20,966
Plan obligations			
Accrued benefit obligations - Beginning of year	$ 24,341	$ 2,854	$ 27,195
Total current service cost	600	89	689
Interest cost	875	104	979
Benefits paid	(1,252)	(111)	(1,363)
Remeasurements			
Experience gain	(496)	-	(496)
Loss (gain) from change in financial assumptions	16	(107)	(91)
Accrued benefit obligations - End of year	$ 24,084	$ 2,829	$ 26,913
Post-employment benefit obligations	$ 3,118	$ 2,829	$ 5,947

	Pension benefits	Other post-employment benefits	Total
			2016
Benefit plan expense			
Current service cost	$ 600	$ 89	$ 689
Net interest cost on defined benefit liability	114	104	218
Net benefit plan expense	$ 714	$ 193	$ 907
Amount recognized in other comprehensive loss			
Net actuarial (loss) gain	$ (564)	$ 107	$ (457)
Expected contributions for the year ending March 31, 2017	$ 1,443	$ 122	$ 1,565
Weighted average duration of the defined benefit obligations in years	12.8	12.2	12.7

	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
Net benefit plan expense	$ 721	$ 187	$ 908
Amount recognized in other comprehensive loss			
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

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

	2016	2015
Discount rate for expenses	**3.6%**	4.4%
Discount rate for obligations	**3.8%**	3.6%
Rate of compensation increase	**2.5%**	3.0%
Rate of medical cost increases	**5%**	5%
Retirement age	**60 - 65 years**	60 - 65 years
Inflation rate	**2.0%**	2.0%
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.

	2016		2015	
	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	**$ (2,721)**	**$ (277)**	$ (2,915)	$ (275)
1% decrease in the discount rate	**3,440**	**414**	3,670	444
1% increase in the rate of compensation increase	**832**	**12**	1,200	12
1% decrease in the rate of compensation increase	**(717)**	**(11)**	(1,048)	(11)
1% increase in the inflation rate	**372**	**-**	434	-
1% decrease in the inflation rate	**(335)**	**-**	(393)	-

At March 31, 2016, the accumulated actuarial losses recognized in other comprehensive loss were $5,183 (2015 - $4,726).

Plan assets

The plan assets consist of the following:

	2016		2015	
Mutual funds				
Fixed income	**$ 15,127**	**72%**	$ 15,192	72%
Equity	**5,839**	**28**	5,838	28
	$ 20,966	**100%**	$ 21,030	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.

		2016		2015
Deferred income	$	**506**	$	910
Less: Current portion		**404**		404
	$	**102**	$	506

14 Income taxes

		2016		2015 (note 24 - as restated)
Current tax on earnings for the year	$	**7,210**	$	5,425
Adjustments in respect of prior years		**(29)**		(46)
Provision for current income taxes		**7,181**		5,379
Change in temporary differences		**(243)**		195
Impact of change in tax rate		**(22)**		(26)
Provision for (recovery of) deferred income taxes		**(265)**		169
Total provision for income taxes	$	**6,916**	$	5,548

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

		2016		2015 (note 24 - as restated)
Provision for income taxes at blended statutory rate of 25.90% (2015 - 25.95%)	$	**6,764**	$	5,390
Permanent differences and non-deductible items		**222**		228
Future income tax rate changes		**(22)**		(26)
Other		**(48)**		(44)
	$	**6,916**	$	5,548

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:

		2016		2015 (note 24 - as restated)
At beginning of year	**$**	**15,975**	$	16,003
Provision for (recovery of) deferred income taxes in net earnings		**(265)**		169
Recovery of deferred income taxes in other comprehensive loss		**(119)**		(197)
At end of year	**$**	**15,591**	$	15,975

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	Accelerated tax deductions on intangible assets	Tax deductions on goodwill	Total
March 31, 2014 (note 24 - as restated)	$ 12,431	$ 2,788	$ 3,112	$ 18,331
(Recovery) provision in net earnings	372	(218)	(19)	135
March 31, 2015 (note 24 - as restated)	12,803	2,570	3,093	18,466
(Recovery) provision in net earnings	(122)	(283)	78	(327)
March 31, 2016	**$ 12,681**	**$ 2,287**	**$ 3,171**	**$ 18,139**

Deferred income tax asset

	Fair value change on derivatives	Post-employment benefits	Other	Total
March 31, 2014 (note 24 - as restated)	$ (306)	$ (1,602)	$ (420)	$ (2,328)
(Recovery) provision in net earnings	(149)	189	(6)	34
Recovery in other comprehensive loss	-	(197)	-	(197)
March 31, 2015 (note 24 - as restated)	(455)	(1,610)	(426)	(2,491)
(Recovery) provision in net earnings	(407)	175	294	62
Recovery in other comprehensive loss	-	(119)	-	(119)
March 31, 2016	**$ (862)**	**$ (1,554)**	**$ (132)**	**$ (2,548)**

15 Capital stock

Authorized

Unlimited Class A shares, non-voting

Unlimited Class B shares, voting

Issued

	2016			2015		
	Number of shares		**Amount**	**Number of shares**		**Amount**
Class A shares, non-voting	**11,193,829**	**$**	**6,567**	11,293,829	$	6,626
Class B shares, voting	**3,004,041**		**400**	3,004,041		400
	14,197,870	**$**	**6,967**	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.

During 2016, the Company repurchased and cancelled 100,000 Class A non-voting shares from Jalger Limited, a related party. This transaction was approved by the Company's Board of Directors. The repurchase price was calculated by reference to the average closing market price of the Class A shares for a period of 20 business days preceding the repurchase date. The repurchase price was first allocated to capital stock based on the average per share carrying amount of the Class A shares. The remaining amount was allocated to retained earnings. A summary of the transaction in Class A shares is as follows:

	Number of shares		Amount
Shares outstanding at the beginning of the year	11,293,829	$	6,626
Repurchase	(100,000)		(2,254)
Excess of repurchase price over average per share issue price	-		2,195
	11,193,829	$	6,567

Quarterly dividends of $0.1125 (previously $0.1050) per Class A share and $0.0978 (previously $0.0913) per Class B share were approved by the Board of Directors on June 3, 2015 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, 2016 and March 31, 2015, 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 2016, expensed $227 (2015 - $259) related to the employee program and $43 (2015 - $35) relating to the directors 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. During 2016, the Company expensed $366 (2015 - $223) under this incentive program.

16 Nature of expenses

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

		2016		2015
Raw materials and consumables	$	**171,168**	$	162,670
Employee compensation and benefits		**58,548**		57,114
Advertising, promotion and distribution		**28,013**		28,518
Occupancy		**10,913**		10,723
Repairs and maintenance		**6,575**		5,740
Other external charges		**18,130**		15,748
	$	**293,347**	$	280,513

Other (income) expenses are as follows:

		2016		2015
Ongoing maintenance costs related to Port Moody winery facility (a)	$	**364**	$	141
Income related to Port Moody winery facility (b)		**(404)**		(442)
	$	**(40)**	$	(301)

a) 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 $364 in 2016 (2015 - $153).

b) Income amounting to $404 (2015 - $442) was recorded related to the Company's idle Port Moody property related to expropriation notices received by the Company.

17 Net earnings per share

	2016		
	Class A	**Class B**	**Total**
Net earnings attributed for the year - basic and diluted	**$ 15,590**	**$ 3,609**	**$ 19,199**
Weighted average number of shares outstanding - basic and diluted	**11,283,692**	**3,004,041**	
Net earnings per share - basic and diluted	**$ 1.38**	**$ 1.20**	

	2015		
	Class A	**Class B**	**Total**
Net earnings attributed for the year - basic and diluted	$ 12,364	$ 2,860	$ 15,224
Weighted average number of shares outstanding - basic and diluted	11,293,829	3,004,041	
Net earnings per share - basic and diluted	$ 1.09	$ 0.96	

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 fair 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, 2016 under long-term non-cancellable leases are outlined in note 20 along with its other contractual obligations.

In 2016, minimum lease payments of $5,149 (2015 - $4,799) 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:

	2016	2015
Accounts receivable	$ **(2,607)**	$ (2,923)
Inventories and current portion of biological assets	**(1,921)**	2,872
Prepaid expenses and other assets	**(272)**	(229)
Accounts payable and accrued liabilities	**(3,499)**	(956)
	$ **(8,299)**	$ (1,236)

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:

			2016	
Assets/liabilities	**Category**	**Measurement**	**Carrying amount**	**Fair value**
Accounts receivable	Loans and receivables	Amortized cost	$ **28,223**	$ **28,223**
Bank indebtedness	Other liabilities	Amortized cost	**33,701**	**33,701**
Accounts payable and accrued liabilities	Other liabilities	Amortized cost	**35,646**	**35,646**
Dividends payable	Other liabilities	Amortized cost	**1,553**	**1,553**
Long-term debt	Other liabilities	Amortized cost	**52,308**	**52,308**
Interest rate swap liability	Derivatives	Fair value	**2,174**	**2,174**
Foreign exchange forward contracts liability	Derivatives	Fair value	**1,126**	**1,126**

			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

The Company's interest rate swaps 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 bank indebtedness and 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 swaps used to fix the interest rate on long-term debt 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 swaps 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 swaps 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 loss on derivative financial instruments is comprised of:

	2016	2015
Unrealized (losses) gains on foreign exchange forward contracts	**$ (1,823)**	$ 597
Unrealized gains (losses) on the interest rate swaps	**265**	(1,169)
	$ (1,558)	$ (572)

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.

				2016		
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	$	**-**	$	**2,174**	$	**-**
Foreign exchange forward contracts liability		**-**		**1,126**		**-**

				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		-

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 interest rate swaps. 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 it meets borrowing covenants, and ensuring 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 July 2020 by entering into interest rate swaps. The interest rate swaps are measured at fair value. An unrealized gain of $265 (2015 – unrealized loss of $1,169) was recognized on the interest rate swaps, which is classified as a component of the net unrealized loss 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, 2016, with other variables unchanged, a 100 basis point change in interest rates would impact the Company's net earnings by approximately $249 (2015 - $237), exclusive of the mark-to-market adjustments on the interest rate swaps.

Credit risk

Credit risk arises from cash, 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 $14,896 (2015 - $13,504) of the total accounts receivable for which no allowance has been provided. Of the remaining non-provincial liquor board balances, $1,413 (2015 - $755) was over thirty days past due as at March 31, 2016. An allowance for doubtful accounts of $124 (2015 - $99) has been provided against these accounts receivable amounts, which the Company has determined represents a reasonable estimate of amounts that may be uncollectible.

Sales to its largest customer, a provincial Crown corporation, were $56,340 (2015 - $49,068) during the year ended March 31, 2016. Sales to its second largest customer, a branch of a provincial government, were $41,770 (2015 - $34,387) during the year.

An analysis of accounts receivable is as follows:

	2016	2015
Liquor boards	$ **14,896**	$ 13,504
Non-liquor boards		
Current	**10,114**	9,380
Past due 0 - 30 days, due on delivery accounts	**603**	620
Past due 0 - 30 days	**1,321**	1,456
Past due 31 - 60 days	**605**	249
Past due > 60 days	**808**	506
Allowance for doubtful accounts	**(124)**	(99)
	$ **28,223**	$ 25,616

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

	2016	2015
Balance - Beginning of year	$ **99**	$ 102
Provision for current year	**89**	54
Bad debts	**(64)**	(57)
Balance - End of year	$ **124**	$ 99

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 and accrued liabilities 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 swap agreements that fix 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 purchases denominated in foreign currencies as at March 31, 2016:

	< 1 year	2 - 3 years	4 - 5 years	> 5 years	Total
Long-term debt	$ 4,106	$ 8,212	$ 40,440	$ -	$ 52,758
Leases and royalties	5,001	5,793	3,113	7,991	21,898
Pension obligations	841	1,034	734	1,463	4,072
Grape and bulk wine purchase contracts	102,955	85,648	49,404	114,736	352,743
Bulk whiskey purchase contracts	624	605	80	-	1,309
	113,527	101,292	93,771	124,190	432,780
Interest rate swap	1,722	3,027	1,487	-	6,236
Foreign exchange forwards	35,011	-	-	-	35,011
Total contractual obligations	$ 150,260	$ 104,319	$ 95,258	$ 124,190	$ 474,027

The Company's obligations under its interest rate swaps 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 (US$), euro (EUR) or Australian dollars (AU$). 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 priced in US dollars, euro and Australian dollars. 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, 2016, the Company has forward foreign currency contracts to buy US$19,525 at rates ranging between $1.31 and $1.38, EUR3,020 at rates ranging between $1.48 and $1.55 and AU$4,115 at rates ranging between $0.92 and $0.98. These contracts mature at various dates to December 2016. 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 $87 (2015 - $108), $23 (2015 - $16) or $109 (2015 - $69), respectively. The Company has elected to not use hedge accounting and as a result, has recognized unrealized foreign exchange losses of $1,823 (2015 – unrealized foreign exchange gains of $597) in the consolidated statements of earnings as a component of the net unrealized loss on derivative financial instruments and has recorded the fair value of $1,126 in accounts payable and accrued liabilities (2015 - $697 recorded in prepaid expenses and other assets) in the consolidated balance sheets.

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, with the exception of 2017, where unfunded capital expenditures are limited to $17,000. 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. As at March 31, 2016 and March 31, 2015, the Company was in compliance with these covenants and the capital expenditure limit.

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. No individual has sole voting power or control in respect of the shares of the Company owned by Jalger Limited.

Compensation of directors and executives

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

		2016		2015
Compensation and short-term benefits	$	**4,939**	$	5,017
Post-employment benefits		**248**		246
Payments to a share purchase plan		**409**		258
	$	**5,596**	$	5,521

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 $13,873 (2015 - $13,853), primarily in the United States. The remainder of sales occurred in Canada. All of the Company's assets are located in Canada.

24 Amendments to IAS 16 and IAS 41

The following tables summarize the impact of adopting the amendments to IAS 16, Property, Plant, and Equipment, and IAS 41, Agriculture:

Impact on the consolidated balance sheets		**March 31, 2015 - as reported**	**Impact of IAS 16 and IAS 41 changes**	**March 31, 2015 - as restated**		**April 1, 2014 - as reported**	**Impact of IAS 16 and IAS 41 changes**	**April 1, 2014 - as restated**
Property, plant and equipment	(1)	$ 90,955	$ 13,996	$ 104,951	(1)	$ 90,152	$ 14,793	$ 104,945
Biological assets	(1)	13,982	(13,982)	-	(1)	14,054	(14,054)	-
Total assets		301,505	14	301,519		301,015	739	301,754
Deferred income taxes	(2)	15,971	4	15,975	(2)	15,811	192	16,003
Total liabilities		154,140	4	154,144		163,012	192	163,204
Retained earnings		143,837	10	143,847		133,915	547	134,462
Total shareholders' equity		147,365	10	147,375		138,003	547	138,550

Impact on the consolidated statements of earnings and comprehensive income		**For the year ended March 31, 2015 - as reported**	**Impact of IAS 16 and IAS 41 changes**	**For the year ended March 31, 2015 - as restated**
Cost of goods sold, excluding amortization	(1)	$ 200,494	$ 334	$ 200,828
Amortization of plant and equipment used in production	(1)	5,116	743	5,859
Gross profit		110,087	(1,077)	109,010
Operating earnings		22,120	(1,077)	21,043
Other expenses (income)	(1)	51	(352)	(301)
Earnings before income taxes		21,497	(725)	20,772
Provision for income taxes - deferred	(2)	357	(188)	169
Net earnings for the year		15,761	(537)	15,224
Net earnings per share				
Basic and diluted				
Class A shares		1.13	(0.04)	1.09
Class B shares		0.99	(0.03)	0.96
Net comprehensive income for the year		15,201	(537)	14,664

Impact on the consolidated statements of cash flows [3]		For the year ended March 31, 2015 - as reported		Impact of IAS 16 and IAS 41 changes		For the year ended March 31, 2015 - as restated
Net earnings for the year	$	15,761	$	(537)	$	15,224
Loss on disposal of property, plant and equipment		95		334		429
Amortization of plant, equipment and intangible assets		8,551		743		9,294
Provision for income taxes		5,736		(188)		5,548
Revaluation of biological assets		352		(352)		-
Cash flow from operating activities		25,837		-		25,837

1) Under the amended standards, grape vines are within the scope of property, plant, and equipment rather than biological assets. The Company elected to measure the grape vines at fair value at April 1, 2014 and to use this measurement basis as the deemed cost when applying IAS 16 after this date. In applying IAS 16, the Company amortizes grape vines on owned property over a 20-year period and over the remaining lease period for grape vines controlled by the Company that were planted on leased property. Vine disposals and writedowns were measured using this revised measurement basis and are recorded in cost of goods sold. Prior to adoption of the amended standards, the grape vines were measured at fair value less cost to sell at each reporting period and revaluation adjustments were recorded in other income in the consolidated statements of earnings.

2) Deferred income taxes were adjusted to reflect the income tax effect of the adjustment described in 1.

3) Certain items within operating activities in the consolidated statements of cash flows have been reclassified as a result of adopting the IAS 16 and IAS 41 amendments as illustrated above. Other than presentation, there was no impact on the consolidated statements of cash flows as a result of the adoption of the amendments to IAS 16 and IAS 41.

25 Events after the reporting period

On June 2, 2016, the Company's Board of Directors approved a 9% increase of the quarterly dividend for holders of its Class A and Class B shares, from $0.1125 per Class A share and $0.0978 per Class B share to $0.1225 per Class A share and $0.1065 per Class B share. This increased quarterly dividend will be paid on July 8, 2016 to shareholders of record at the close of business on June 30, 2016.

TEN-YEAR SUMMARY

(in thousands of Canadian dollars, except per share amounts)	2016	2015 Restated [7]	2014	2013 Restated [6]
Sales and earnings				
Net sales	**334,263**	$ 315,697	$ 297,824	$ 289,143
EBITA	**40,916**	35,184 [7]	33,729	33,489 [6]
Net earnings (loss)	**19,199**	15,224 [7]	14,021	14,519 [6]
Financial position				
Working capital	**71,665**	68,982	44,564	41,670
Total assets	**308,309**	301,519 [7]	301,015	296,519
Shareholders' equity	**157,736**	147,375 [7]	138,003	129,701 [6]
Per share				
Net earnings (loss)				
Basic & diluted Class A	**1.38**	1.09 [7]	1.01	1.04 [6]
Basic & diluted Class B	**1.20**	0.96 [7]	0.88	0.91[6]
Dividends				
Class A Shares, non-voting	**0.450**	0.420	0.400	0.360
Class B Shares, voting	**0.391**	0.365	0.348	0.314
Number of shares outstanding (in thousands of shares)				
Class A Shares, non-voting	**11,194**	11,294	11,294	11,294
Class B Shares, voting	**3,004**	3,004	3,004	3,004
	14,198	14,298	14,298	14,298
Other information				
Return on average shareholders' equity [8]	**12.6%**	10.6% [7]	10.5%	11.6%[6]
Return on average capital employed [9]	**13.2%**	11.0% [7]	10.8%	11.1%[6]

[1] Excludes the net impact of discontinued operations.
[2] Excludes the after-tax impact of mark-to-market adjustments on an interest rate swap.
[3] Includes an after-tax gain of $11.9 million for the sale of Granville Island Brewing Company Ltd. and Mainland Beverage Distribution Ltd.
[4] Excludes an after-tax gain of $11.9 million for the sale of Granville Island Brewing Company Ltd. and Mainland Beverage Distribution Ltd.

2012	2011 Restated [5]	2010	2009 Restated [1]	2008 Restated [1]	2007
$ 276,883	$ 265,420	$ 263,151 [3]	$ 251,136[1]	$ 228,056[1]	$ 228,192
32,651	31,544 [5]	27,354 [3]	23,359[1]	28,109[1]	27,665
13,001	11,223 [5]	21,661 [3]	(125)	11,381	9,472
34,869	27,643 [5]	29,357	29,203	25,413	25,316
285,552	267,996 [5]	263,716	293,507	259,744	238,956
120,552	114,297 [5]	113,665	96,791	102,680	95,522
0.93	0.78 [5]	1.49 [3]	($0.01)	0.78	0.65
0.81	0.67 [5]	1.30 [3]	($0.01)	0.68	0.57
0.360	0.330	0.330	0.330	0.300	0.253
0.314	0.288	0.288	0.288	0.261	0.220
11,294	11,294	11,888	11,888	11,888	11,888
3,004	3,004	3,004	3,004	3,004	3,004
14,298	14,298	14,892	14,892	14,892	14,892
11.1%	9.8% [5]	6.8% [2,4]	6.0% [2]	11.5%	10.2%
11.5%	11.6% [5]	9.1% [2,4]	7.9% [2]	10.7%	10.3%

(5) 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.

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

(7) Restated to reflect the adoption of the amendments to IAS 16 and IAS 41.

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

(9) 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

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Halifax, Nova Scotia
Corporate Director

RICHARD D. HOSSACK, PhD
Toronto, Ontario
Corporate Director

PERRY J. MIELE
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Chairman and Partner
Beringer Capital

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Senior Medical Consultant
Medcan Health Management Inc.

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

RANDY A. POWELL
Oakville, Ontario
Chair: Andrew Peller Limited
Founding Partner
Southpier Capital

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

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

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

GAVIN J. HAWTHORNE
Vice-President, Sales & Marketing GVI

CRAIG D. MCDONALD
Vice-President, Winemaking

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

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Rgistrar and Transfer Agent

COMPUTERSHARE INVESTOR SERVICES INC.

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PRICEWATERHOUSECOOPERS LLP

Bankers

BANK OF MONTREAL
RABOBANK
ROYAL BANK OF CANADA
TORONTO DOMINION BANK

Shareholder Inquiries

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Investor Relations

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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

2016 Annual and Special Shareholders' Meeting

The 2016 Annual and Special Meeting of Shareholders' will be held at:
Peller Estates
Niagara-on-the-Lake, Ontario
on Friday, September 9, 2016 at 11:00 a.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

54 WILSON STREET
L9G 3T8 (905) 304-0094
#213 WITHIN: FORTINOS

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

980 FRANKLIN BLVD
N1R 8R3 (519) 622-2552
#212 WITHIN: NO FRILLS

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
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

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

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

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

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

187 METCALFE STREET
K2P 1P5 (613) 565-5062
#211 WITHIN: SOBEYS

(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

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: FRESCHCO

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

650 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

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

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 30, 2016.

Ontario VQA Wine Collections

Collections #1-4 can be delivered to Ontario, British Columbia, Manitoba, Saskatchewan and Nova Scotia. Free delivery within Ontario and a special delivery charge of only $25 to other provinces. Ontario Collection prices include $0.10 bottle deposit.

Collection #1: Best of VQA Niagara Collection

Peller Estates Family Series Riesling
Peller Estates Private Reserve Pinot Noir
Trius Sauvignon Blanc
Trius Cabernet Franc
Thirty Bench Winemaker's Riesling
Wayne Gretzky Estates Shiraz Cabernet
6 Bottle Collection - $96.03 (reg. $112.50)
12 Bottle Collection - $192.06 (reg. $225.50)

Collection #2: Peller Estates Collection

Peller Estates Signature Series Ice Cuvée Rosé
Peller Estates Family Series Chardonnay
Peller Estates Private Reserve Gamay Noir
Peller Estates Signature Series Sauvignon Blanc
Peller Estates Signature Series Merlot
Peller Estates Private Reserve Late Harvest Vidal (375 ml)
6 Bottle Collection - $142.39 (reg. $167.30)
12 Bottle Collection - $284.78 (reg. $334.60)

Collection #3: Trius Collection

Trius Brut
Trius Divine White
Trius Merlot
Trius Gamay Noir
Trius Red
6 Bottle Collection - $108.82 (reg. $127.80)
12 Bottle Collection - $217.64 (reg. $255.60)

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' Shiraz Cabernet
6 Bottle Collection - $91.73 (reg. $107.70)
12 Bottle Collection - $183.46 (reg. $215.40)

British Columbia VQA Wine Collections

Collections #5-7 can be delivered to British Columbia, Manitoba, Saskatchewan and Nova Scotia. Free delivery within British Columbia and a special delivery charge of only $25 to other provinces. Prices for BC Collections do not include $0.10 bottle deposit and applicable taxes.

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 Chardonnay
Wayne Gretzky Founders Merlot
6 Bottle Collection - $82.88 (reg. $97.50)
12 Bottle Collection - $166.37 (reg. $239.26)

Collection #6: Red Rooster Collection

Red Rooster Riesling
Red Rooster Chardonnay
Red Rooster Pinot Blanc
Red Rooster Pinot Noir
Red Rooster Reserve Merlot
Red Rooster Reserve Meritage
6 Bottle Collection - $91.82 (reg. $108.00)
12 Bottle Collection - $184.24 (reg. $216.00)

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)

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

Trius
WINERY
AT HILLEBRAND

No 99
WAYNE
GRETZKY
ESTATES™

skinnygrape

THIRTY BENCH
WINE MAKERS

BLACK
CELLAR

ANDREW PELLER
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WINE-
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PANAMA JACK'S