

W.& J. GRAHAM & C^o, S.A.
CONSOLIDATED MANAGEMENT REPORT

Dear Shareholders,

In accordance with the law, we are presenting the consolidated management report for the year 2019. The analysis of this report aims to characterize the activity of our company, jointly with the registries of the following companies, in which we hold or not the total share capital or voting rights:

- Warre & Ca., S.A;
- Symington Family Estates, Vinhos, S.A. e a sua associada Cockburn & Ca. S.A;
- Silva & Cosens, Limited.

Considering that all our main activities are similar or even complementary to each other, the same analysis already carried out in each of the individual reports applies to the management of the consolidated group of companies.

During the year that ended, it is important to highlight the dissolution and liquidation of the company Silva & Cosens Holdings, Limited, with the consequent incorporation of all its assets and liabilities in this company, namely the financial investment in the subsidiary Silva & Cosens, Limited.

After consistent losses in recent years, it is with satisfaction that during the year 2019 there has been a turnaround in the Port Wine market with an increase of 1.5% of boxes sold and a growth of 2,8% in value, which incorporates an increase of 1.3% in the average sales price which has been characterized by successive annual gains.

Contrary to recent years, the market for sales of DOC DOURO Wine has lost 4.5% in volume but has been able to increase its value by 2.5%, continuing, along with Port Wine, to gain increased importance in sales of wine in Portugal.

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COMPANIES HOUSE

Our Port Wine sales followed the trend of the previous year, registering a growth of 2.1% in boxes of Port Wine. In terms of value, we also registered an increase, now of 2%, below that of the previous year and also slightly below the sector.

Table wine sales also performed very well, with an increase of 30% in volume, although only 25% more in value. The additional margin that was obtained was very important for the biggest gains of our operation in absolute terms.

Brandy sales grew by more than 7% in volume and almost 9% in value, which helped reinforce margin gains.

We should also stress that we continue to sell bulk table wine to third parties, which after vinified in our wineries, is not necessary for reasons of quantity or organoleptic characteristics. Even so, being a complementary activity, and even though the quantities sold decreased again despite the slight increase in wine made, it was possible to sell with a considerable price increase that allowed to almost double the absolute margin.

It is important to note that two years after the corporate reorganization in 2017, with the vertical concentration of business, in which our management began to include all assets and activities in viticulture; winemaking and marketing of wines and alcoholic beverages, the projected competitive advantages are already visible and have allowed us to simplify processes and save means and resources used, with the consequent gains in efficiency and synergy.

Considering the returns obtained from the sale of the 2017 Vintage and all the families of products we sell, as well as the greater returns obtained by the sale of Table Wine and Brandy, despite the increase in some general costs and personnel expenses, it was possible to obtain an additional gain in EBITDA of almost EUR 0.8kk, resulting in an increase in net operating profit.

We continued during 2019 to reduce the notional of the interest rate fixing contract contracted in 2006, which is why the effective borrower's capital rate was no longer reduced. This reversal will continue for a further two years and will end in November 2021.

The interest rate hedging operation and its accounting at fair value, contributes greatly to the value recorded under Other changes in Equity and Other Financial Liabilities.

The company's patrimonial situation was characterized by a slight reduction in Net Assets, accompanied by an even more marked reduction in Liabilities, while Equity was strengthened by an additional 6.7kk€, with Financial Autonomy reaching the level of 62%. In other words, the solidity and financial balance are thus guaranteed. In particular, a reduction in financial liabilities and a higher value for non-current liabilities should

be noted. In terms of stock, and using the historical cost, it increased by about EUR 1.5kk at the end of 2019, and according to the valuation criteria already mentioned, EUR 156.8kk, which clearly demonstrates the investment needs in wine and its storage.

In order to strengthen our company with assets that allow us to remain sustainable in the long term, we have reinvested an important part of the funds released, with CAPEX in 2019 totaling around EUR 5kk, with the highlight being the improvement of productive buildings, namely in the winery and Etar do Sol , and the start of the project to build a new winery at Quinta do Ataíde, and investments in the winemaking and bottling equipment park. It should be noted that in addition to the amount of CAPEX being higher than the total depreciation expenses, a large part of it was carried out in productive areas, with the aim of ensuring the continuous improvement of processes.

After another year of good results, we believe that we can safely continue to pursue our strategy of creating added value for our shareholders in the future, seeking increased profitability gains, especially sustained by the sale of Port Wine, with emphasis on our own brands, and continuing to develop the segments of Special Categories, which stand out for the higher added value released. We will continue to invest in the growth of table wine activity, which we believe will become an important activity in the medium term, and where we continue to have a relatively small market share.

Despite the health, social and economic impacts that the SARS-COV-2 pandemic is causing, and with the primary objective of close and careful monitoring of its potential effects on the company, we are convinced that our society will not suffer such relevant impacts that they may impede the continuity of our activity. We are taking stock of the potential impacts we may have to bear, including the costs of donations, measures and means of protection, changes in procedures, as well as the care to be taken to ensure the smooth operation of the supply chain, including harvesting and winemaking in our wineries.

After analysis of the risks of collection from customers, developed to date, in addition to some additional credit concessions and some reduction in sales, which we cannot yet estimate, but which may mitigate our ability to release financial means there is a guarantee of continuity of supply of essential raw materials and sufficient bank credit lines that will ensure the continuity of our business.

In conclusion, it should be noted that after tax, the Net Profit was positive in Euro 6,479,697, including non-controlling interests of Euro 1,020,503.

Vila Nova de Gaia, 15 april 2020

The Board of Directors

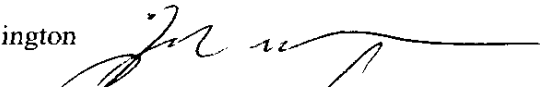
Chairman:

Paul Douglas Symington



Directors:

John Andrew Douglas Symington



Rupert Alexander Douglas Symington



W. & J. GRAHAM & C^a., S.A.

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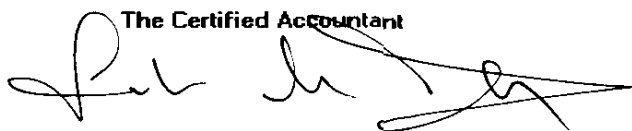
Consolidated balance sheet

at 31 December 2019

(Amounts expressed in Euro)

	Notes	2019	2018
ASSETS			
Non current assets			
Tangible fixed assets	7	39 902 457	38 287 036
Investment property	8	6 282 018	6 269 388
Goodwill	9	6 890 923	8 039 411
Intangible assets	10	2 807 325	3 122 692
Biological assets	11	10 728 765	10 777 222
Deferred tax assets	12	1 259 114	1 180 400
		67 870 602	67 676 148
Current assets			
Inventories	13	156 831 358	155 325 134
Biological assets	14	461 119	511 638
Trade receivables	15	28 199 893	30 583 980
State and other public entities	16	163 713	453 967
Other accounts receivable	17	1 690 957	3 296 248
Deferrals	18	365 205	342 207
Cash and short-term deposits	4	5 971 562	7 861 097
		193 683 807	198 374 271
Total assets		261 554 411	266 050 419
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity			
Paid up share capital	19	10 000 000	10 000 000
Other equity instruments		16 250 000	17 000 000
Share Issuance Premiums	19	46 500 000	46 500 000
Legal reserves		3 625 517	3 060 374
Other reserves		2 305 856	2 305 557
Retained earnings		68 851 506	64 537 346
Other variances in equity		2 450 649	2 818 805
Profit/(loss) for the year		5 459 194	4 879 601
Non-controlling interests	20	17 011 447	16 065 999
Total shareholders' equity		172 454 168	167 167 683
Liabilities			
Non current liabilities			
Provisions	21	21 709	21 709
Interest-bearing loans and borrowings	22	37 966 173	44 944 744
Responsibilities for the pension fund	31	4 587 539	3 356 145
Deferred tax liabilities	12	12 181 821	11 942 888
Other accounts payable	23	831 028	870 586
		55 588 271	61 136 072
Current liabilities			
Trade payables	24	18 920 510	20 128 259
Customers advances	25	945 192	969 015
State and other public entities	16	1 413 731	804 443
Interest-bearing loans and borrowings	22	4 014 870	7 260 800
Other accounts payable	23	7 178 096	6 650 081
Deferrals	18	74 301	74 147
Other financial liabilities	26	965 271	1 859 919
		33 511 970	37 746 664
Total liabilities		89 100 242	98 882 736
Total shareholder's equity and liabilities		261 554 411	266 050 419

The Certified Accountant



The Board of Directors




W. & J. GRAHAM & C^a., S.A.

Consolidated profit and loss account

at 31 December 2019

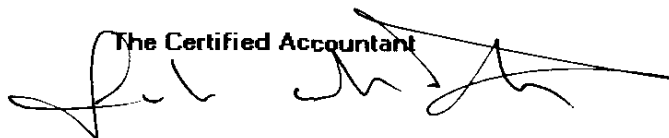
(Amounts expressed in Euro)

	Notes	2019	2018
INCOME AND EXPENSES			
Sales and services rendered	27	97 995 270	93 477 764
Operating subsidies	28	428 731	360 328
Gains (losses) in subsidiaries		-	-
Variance in inventories of production	13	7 754 449	10 489 645
Cost of goods sold and materials consumed	13	(53 642 998)	(53 782 124)
Third party supplies and services rendered	29	(15 107 953)	(14 493 202)
Personnel expenses	30	(18 219 730)	(17 595 224)
Impairment of inventories (losses)/reversals		-	-
Impairment of receivables (losses)/reversals	15	-	(2 192)
Other operating income	31	1 835 674	1 969 648
Other operating expenses	32	(3 198 290)	(3 420 926)
Results before depreciation, financial expenses and taxes		17 845 152	17 003 717
Depreciation and amortization (expenses) / reversals	33	(6 336 835)	(6 092 164)
Operating results (before financial expenses and taxes)		11 508 317	10 911 553
Interest and similar income obtained	34	49 250	49 987
Interest and similar expenses	35	(2 340 332)	(2 743 443)
Profit / (loss) before tax		9 217 235	8 218 097
Income tax on profit / (loss) for the year	36	(2 737 538)	(2 441 733)
Profit / (loss) for the year		6 479 697	5 776 364

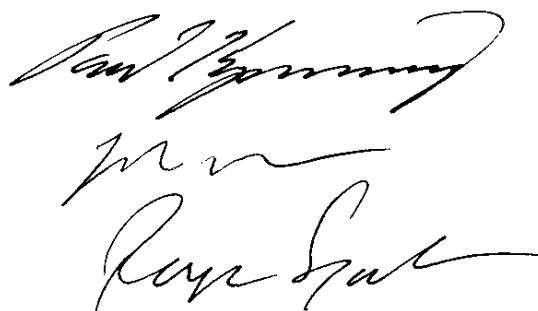
Profit for the year attributable to

Owners of the parent		5 459 194	4 879 601
Non-controlling interests	20	1 020 503	896 762
Earning per share		3.24	2.89

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The Board of Directors



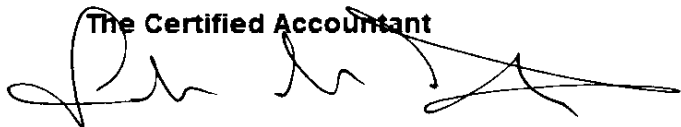
W. & J. GRAHAM & C^a., S.A.

Consolidated Cash flow statement at 31 December 2019

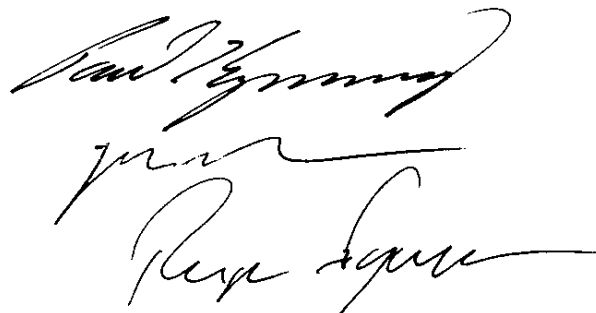
(Amounts expressed in Euro)

	2019	2018
Cash flows from operating activities		
Receipts from customers	95 570 735	91 956 804
Payments to suppliers	(63 674 958)	(67 714 349)
Payments to employees	(10 076 871)	(9 656 395)
Cash generated from operations	21 818 906	14 586 061
(Payment) reimbursement of corporate income tax	(1 546 064)	(2 562 744)
Other (payments) : proceeds relating to the operating activity	(2 153 965)	(4 672 014)
Net cash flows from operating activities (1)	18 118 876	7 351 303
Cash flows from investing activities		
Disbursements for:		
Tangible fixed assets	(6 174 849)	(5 324 576)
Investment properties	(25 137)	-
Intangible assets	(103 701)	(166 496)
Other financial investments	(952 853)	(1 319 893)
Investment subsidies	-	(13 934)
Proceeds from:		
Sale of property, plant and equipment	328 072	290 431
Receipt of government grants	123 880	1 421 808
Interest and similar income	50 564	55 657
Net cash flows used in investing activities (2)	(6 754 025)	(5 057 004)
Cash flows from financing activities		
Proceeds from:		
Bank loans	111 405 479	202 852 415
Other financing operations	-	-
Disbursements for:		
Repayment of bank loans	(118 384 050)	(206 365 936)
Interest and similar expenses	(1 522 445)	(1 814 676)
Dividends (Note 1)	(757 440)	(750 000)
Decrease in sharecapital and other equity instruments	(750 000)	-
Repayment of government grants	-	-
Other financing operations	-	-
Net cash flows used in financing activities (3)	(10 008 456)	(6 078 197)
Variance in cash and cash equivalents (1-2-3)	1 356 395	(3 783 897)
Net foreign exchange difference	-	31
Changes on the consolidation perimeter	-	-
Cash and cash equivalents at 1 January (Note 4)	600 297	4 384 164
Cash and cash equivalents at 31 December (Note 4)	1 956 692	600 297

The Certified Accountant



The Board of Directors



W. & J. GRAHAM & C^a., S.A.

Consolidated statement of changes in equity
for the year ended 31 December 2018
(Amounts expressed in Euro)

	Equity attributable to Shareholders								Non-controlling interests	Total	Profit / (loss) for the year	Fx translation reserve	Other variances in equity	Retained earnings	Other reserves	Legal reserves	Share premiums	Other equity instruments	Paid up share capital		Total equity
	1	2	3	4	5	6	7	8													
POSITION AT THE BEGINNING OF 2018																					
APPLICATION OF PRIOR YEAR RESULTS																					
Transfer to legal reserve																					
Transfer of prior year results to retained earnings																					
CHANGES IN THE PERIOD																					
Deferred tax adjustments																					
Investment subsidies																					
Derivatives																					
Pensions fund																					
Correction of opening balances previous years																					
Other changes recognised in Equity																					
Investment subsidies																					
Derivatives																					
Pensions fund																					
Effect of merger with Viz-Prod. Com. Virhos e Azéites S.A.																					
NET RESULT FOR THE YEAR																					
TOTAL RESULT																					
OPERATIONS FROM SHAREHOLDERS DURING THE YEAR																					
Payment of share capital																					
Costs with the increase of share capital																					
Exercise of options																					
Costs with the exercise of options																					
Dividends																					
Dividends paid in advance																					
Coverage of losses																					
Share based payments																					
Minority interests acquired from business combinations																					
Acquisition of minority interests																					
Supplementary capital																					
POSITION AT THE END OF 2018																					
7=1+2+3+4+6																					

The Certified Accountant

The Board of Directors

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Consolidated statement of changes in equity
for the year ended 31 December 2019
(Amounts expressed in Euro)

	Equity attributable to Shareholders										Non-controlling interests	Total equity
	Paid up share capital	Other equity instruments	Share premiums	Legal reserves	Other reserves	Retained earnings	Other variances in equity	FX translation reserve	Profit / (loss) for the year	Total		
1	10 000 000	17 000 000	46 500 000	3 060 374	2 305 557	64 537 346	2 818 805	-	4 879 601	151 101 684	16 065 999	167 167 683
2				565 143		4 314 459			(565 143) (4 314 459)	-		-
				565 143		4 314 459			(4 879 601)	-		-
					299	(299)				33 045 (166 788) 240 827	6 513 (34 508) 43 785	39 558 (201 256) 230 472
										(146 866) 741 280 (1 069 454)	(28 947) 153 368 (221 266)	(175 813) 894 648 (1 230 720)
3					299	(299)				1 368 156	175 085	(443 211)
4										5 459 154	1 020 503	6 479 657
5-3+4										5 459 154	945 448	6 038 466
6		(750 000)								(750 000)		(750 000)
7-1+2+5+6	10 000 000	16 250 000	46 500 000	3 625 517	2 305 856	68 851 506	2 450 649	-	5 459 154	155 442 722	17 011 447	172 454 169

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The Certified Accountant

The Board of Directors

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Notes to the consolidated financial statements

At 31 December 2019

1. Introduction

The company W. & J. GRAHAM, & C^a., S.A. (hereinafter the Company or Graham), incorporated on August 1, 1911, in the form of a public limited company, had its share capital increased to EUR 10,000,000.00, through the entry in kind of the entire financial investment held on 8/7/2016 in the company Silva & Cosens Holdings.

On 28/12/2017, the subsidiary Symington Family Estates, Vinhos, SA (hereinafter SFE), carried out a merger by incorporation of the companies: Symington-Vinhos, SA and Sociedade Agrícola da Quinta do Vesúvio, Lda, with accounting and tax effects on 1/1/2017 and also a capital increase by contribution in kind with the company: Silva & Cosens, Ltd.

This operation resulted in the incorporation of the assets; liabilities and personnel of Symington-Vinhos, SA, as well as all the activities performed by the company, namely the operation and management of the farms and wineries; bottling and wine tourism shops.

On 30/11/2018, Viaz-Produção e Comercialização de Vinhos Azeites, SA, which was already part of the consolidated group of companies, was merged by incorporation into the subsidiary Cockburn & C^a., SA with accounting and tax effects on 1/1/2018.

On 5/6/2019, the company Silva & Cosens Holdings Limited was dissolved and liquidated, and its participation in the company Silva & Cosens Limited became directly held by this company.

The production and commercialization of Port Wines and others related to these, constitutes its main business area.

2. ACCOUNTING FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

The attached financial statements were prepared within the framework of the provisions in force in Portugal, in accordance with Decree-Law 158/2009, of July 13, republished by Decree-Law 98/2015, of June 2, and in accordance with the conceptual structure, accounting and financial reporting standards and interpretative rules applicable to the year ending December 31, 2019.

There were no derogations in view of the true and proper picture.

These consolidated financial statements include the financial statements of the Company and its subsidiaries as of December 31, 2019.

In the balance sheet and income statement accounts there are no contents that are not comparable with those of the previous period, with the exception of the detailed effects mentioned in the accounts for the year 2017, resulting from the merger operation carried out on 28/12/2017, in accordance with paragraph 4 of Article 97 of the CSC, through the global transfer of the assets of Symington Vinhos, S.A. (incorporated company) to SFE (acquiring company).

3. MAIN ACCOUNTING POLICIES

The main accounting policies applied in the preparation of the consolidated financial statements are as follows, based on NCRF's.

The Board has assessed the Company's ability to operate on a going concern basis, based on all information and circumstances of financial, commercial or other nature, including subsequent events to the reference date of the financial statements, available on the future.

As a result of the evaluation carried out, Management concluded that the Company has adequate resources and support to maintain its activities, and there is no intention of ceasing activities in the short term and therefore considered appropriate the use of the going concern assumption in the preparation of the financial statements.

3.1 Tangible Fixed Assets

Tangible fixed assets relate to refer to goods used in production, provision of services or administrative, used in the Company's business activity and are measured at cost.

Subsequent expenses for replacing fixed assets components incurred by the Company are added to the respective tangible fixed assets, with the net value of the replaced components of these assets being written off and recorded as an expense in the "Other expenses and losses" item.

Tangible fixed assets are depreciated, with the "Land" exception which is not depreciated, over the expected economic useful lives and evaluated in terms of impairment whenever there is an indication that the asset may be under impairment.

Depreciation is calculated on a straight-line duodecimal basis as from the moment when the assets are deemed to be available to be utilised for the desired purpose.

The depreciation rates have been set as to fully depreciate the assets until the end of their estimated useful lives. The applied depreciation rates are as follows:

	2019	2018
	%	%
Land and natural resources	4,00 – 10,00	4,00 – 10,00
Buildings and other constructions	2,00 – 12,50	2,00 – 12,50
Equipment	2,00 – 20,00	2,00 – 20,00
Transport equipment	8,33 – 10,00	8,33 – 10,00
Administrative equipment	10,00 – 20,00	10,00 – 20,00
Other tangible fixed assets	4,00 – 25,00	4,00 – 25,00

Assets acquired through finance lease are depreciated using the same rates as those for the other tangible assets, i.e., taking into account the corresponding useful life.

It is assumed that the residual value is zero; hence the amount to be depreciated, over which the depreciation is calculated, coincides with the cost.

The depreciation methods, estimated useful lives and residual value, are reviewed at the end of each year and the effects of the changes are treated as changes to estimates, i.e. the effect of the changes is treated in a prospective way.

The depreciation expense for the year is recognized in the income statement in “Depreciation and amortization (expense) / reversal”.

Dismantling, removal and site restoration costs arising from responsibilities assumed upon the purchase of the fixed assets or as a consequence of they have being utilised during a set period of time for objectives different to the production of inventories, are recognized as a part of the cost of the corresponding fixed asset and are depreciated during the useful life of the fixed asset to which they relate to.

All current repair and maintenance costs are recognized as expense in the year when incurred.

Costs relating to substitutions and major repairs are capitalised whenever they increase the useful lives of the assets to which they relate to and are depreciated during the remaining useful life of the corresponding fixed asset or during its own estimated useful life, if lower.

Any gain or loss deriving from the de-recognition of a tangible fixed asset (calculated as the difference between the sale value net of minus selling costs and the book value) is included in the results for the financial year in which the asset is derecognized.

Tangible fixed assets in progress relate to assets which are still at the construction or installation stage and/or which are not yet available for use. These assets are measured at cost and are only depreciated when they are available for use.

Borrowing costs that are attributable to the acquisition, construction or production of a tangible fixed asset are immediately considered as part of the cost of the asset.

Impairment

The Company evaluates whether there is any indication that an asset may be impaired at the end of the year. Should there be any indication, the Company estimates the recoverable amount of the asset (which is the highest

between the fair value of the asset (or of a cash generating unit) minus the selling costs and its value in use) and they recognize the impairment in the results for the financial year whenever the recoverable amount is lower than the book value.

When evaluating whether there is an indication of impairment, the following situations are taken in to account:

During the period the market value of an asset reduced significantly more than that would be expected, as result of the passage of time or normal usage;

During the period major alterations occurred – or will occur on the near future – with an adverse effect on the Company as regard the technological, market, economic or legal environment in which the Company operates or on the market to which the asset is dedicated;

The market interest rates or other investment return market rates increased during the period and these increases will probably affect the discount rate used to calculate the value in use of an asset and will materially reduce the recoverable amount of the asset;

The carrying amount of the net assets of the entity is greater than its market capitalization;

Evidence is available of the obsolescence of or physical damage to an asset;

Major alterations with an adverse effect on the entity occurred during the period, or it is expected they will occur in a near future to the extent that, or in the way in which, an asset is used it is expected to be used.

These alterations include an asset which has become idle, plans to discontinue or restructure the operating unit to which the asset belongs, plans to dispose of an asset before the date expected previously;

There is evidence in the internal reports that indicate that the economic performance of an asset is, or will be, worse than that expected.

Impairment reversals are recognized as a gain but are only recognized up to the limit which would result if the asset had never been subject to impairment.

3.2 Investment Properties

Investment properties relate to assets like land and buildings whose purpose are to obtain income and, or, the appreciation of capital invested and not for use in the production or supply of goods, services, or for administrative purpose or sale in the ordinary course of business.

Investment properties are recorded by cost model. The cost model requires that an investment property is measured after initial measurement at depreciated cost (less any accumulated impairment losses). An entity that chooses the cost model discloses the fair value of its investment property (see note 8).

The costs incurred with investment properties in use, namely: maintenance, repairs, insurance and property taxes (municipal property tax) are recognized in the income statement for the year to which they are related.

An investment property shall be derecognised (eliminated from the balance sheet) on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

3.3 FINANCIAL INVESTMENTS IN SUBSIDIARIES, JOINTLY CONTROLLED COMPANIES AND ASSOCIATES

Investments in subsidiaries, jointly controlled companies and associates are recorded by the equity method.

The excess of the acquisition cost of equity interests recorded by the equity method over the fair value of the identifiable assets and liabilities of each acquiree at the acquisition date is recognized as goodwill and is shown in a separate line on the balance sheet. If this differential is negative, it is recognised as income for the year.

Goodwill with indefinite useful life is amortized over a period of 10 years.

At each reporting date a review is made of the carrying amounts of the Company's investments to determine whether there are any indicators that they may be impaired and whether they should be subject to impairment testing.

Unrealized gains and losses on transactions with subsidiaries, jointly controlled companies and associates are eliminated in proportion to the Company's interest in them, against the corresponding investment item, except for the amount of losses that result from a situation in which the eventual transferred asset is impaired.

Gains and losses resulting from the sale or rendering of services by the Company to subsidiaries, jointly controlled companies and associates ("downstream transactions") are eliminated by adjusting the carrying amount of the investment. Gains and losses resulting from sales or service transactions of subsidiaries, jointly controlled companies and associated companies ("upstream transactions") are eliminated by adjusting the carrying amount of the corresponding asset or liability.

3.4 Business Combinations

Acquisitions of subsidiaries, jointly controlled entities and associates are recorded using the purchase method. The corresponding cost of the combination is determined as the aggregate on the acquisition date of: (a) fair value of equity instruments issued by the Company in exchange for obtaining control over those entities. The excess of the cost of the combination over the fair value of the Company's interest in the identifiable assets acquired is recorded as goodwill. If the cost of the combination is less than the fair value of the net assets of the acquired subsidiary, the difference is recognized directly as income in the income statement.

In business combinations involving an entity under common control, initial recognition is at the carrying amount of the net assets transferred (pooling of interests method), with any differences from the price paid being accounted for directly in equity as a distribution to shareholders, if negative, or a shareholder contribution, if positive.

3.5 Intangible assets

Intangible assets acquired separately are measured on initial recognition date, at cost. Intangible assets generated internally, excluding capitalized development costs, are not capitalized and the cost is reflected in the income of the year in which the cost is incurred.

After the initial recognition, the assets are presented at cost net of accumulated amortization and impairment losses.

The useful lives of intangible assets are classified as identifiable or undefined.

Accordance with Decree-Law 98/2015 of 2 June, since 2016, the assets classified with undefined useful lives are amortized within a maximum period of 10 years.

The assets with identifiable useful lives are amortized during the expected economic useful life and evaluated in terms of impairment whenever there is an indication that the asset may be in an impairment situation. For an asset with an identifiable useful life, the amortization methods, estimated useful life and residual value, are reviewed at the end of each year and the effects of the changes are treated as changes to estimates, i.e. the effect of the changes is treated in a prospective.

The impairment of these assets is the one based on the criteria described in point 3.1. above.

Impairment reversals are recognized in the income statement and are only recognized up to the limit which would result if the asset had never been subject to impairment.

It is assumed that the residual value is zero, hence the amount to be amortized, coincides with the cost.

The amortization rates have been set so as to fully amortise the assets until the end of their estimated useful lives. The applied amortization rates are as follows:

	2019	2018
	%	%
Industrial property	5.00 – 10.00	5.00 – 10.00

The amortization expense of intangible assets with identifiable useful lives is recognized in the income statement in “Depreciation and amortization (expense) / reversal”.

Any gain or loss deriving from the derecognition of an intangible asset (calculated as the difference between the sales value minus selling expenses and the book value) is included in the result for the financial year in which the asset is derecognized.

3.6 Biological assets

According to NCRF 17, the accounting of biological assets and agricultural products until the harvest, must be recognized by the company when and only when:

The company owns the asset as result of past events;

Probably the company will obtain future economic benefits associated to those assets;

Fair value of the asset cost can be measured with reliability

Its measurement should be as a rule, the fair value less estimated selling costs, based on:

Market price when exist an active market;

Most recent market price;

Benchmark of the sector;

Present value of future cash flows generated by the asset, when does not exist market price;

However, the company adopted the cost of acquisition less the accumulated depreciations, based on:

Reclassification of vineyards from tangible assets to biological assets;

On first three years of life, vineyards are considered immature, they don't record any depreciation;

Expected useful life of 22 years and the depreciation rate of 4.54%;

As far as current biological assets are concerned, it consists of the harvested agricultural product, i.e. grapes. Under NCRF 17, the measurement of harvested agricultural produce from an entity's biological assets must be measured at fair value less estimated point-of-sale costs at the time of harvest.

The total carrying amount of biological assets and their reconciliation are explained in paragraph 11 - Biological assets.

3.7 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities result from the calculation of temporary differences between the accounting base and the tax base of the Company's assets and liabilities.

Deferred tax assets reflect:

- Temporary differences deductible to the extent that future taxable profit is likely to exist for which the deductible difference can be used;
- Unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which it can be used;

Deductible temporary differences are temporary differences from which amounts result that are deductible in determining taxable profit/tax loss for future periods when the carrying amount of the asset or liability is recovered or settled.

Deferred tax liabilities reflect taxable temporary differences.

Deferred tax assets and liabilities are measured using the tax rates expected to be in force at the date the corresponding temporary differences are reversed, based on the tax rates (and tax laws) that are formally or substantially issued at the reporting date.

Offsetting between deferred tax assets and liabilities is only allowed when: (i) the enterprise has a legal right to offset such assets and liabilities for liquidation purposes; (ii) such assets and liabilities relate to income taxes levied by the same tax authority and (iii) the enterprise intends to offset for liquidation purposes.

3.8 Income Tax

Income tax corresponds to the sum of current and deferred taxes for the year. Current and deferred taxes are recorded in the income statement, except when they relate to items recorded directly in equity. In these cases current and deferred taxes are also recorded in equity.

Current tax is determined on the basis of the accounting result adjusted in accordance with the tax legislation in force to which each of the companies included in the consolidation is subject.

Companies included in the consolidation are taxed on income at a rate of 21% plus the municipal surcharge up to a maximum rate of 1.5% on taxable profit, resulting in a maximum aggregate rate of 22.5%. Currently, a state surcharge rate of 3% is applied on the taxable income part between 1.5 million euros and 7.5 million euros, 5% on the taxable income part between 7.5 million euros and 35 million euros and 7% on the taxable income part exceeding 35 million euros.

Under the terms of the legislation in force in the various jurisdictions in which the companies included in the consolidation operate, the corresponding tax returns are subject to review by the tax authorities during a period ranging from 4 years, which may be extended in certain circumstances, namely when there are tax losses, or inspections, complaints or challenges are in progress.

The Board of Directors, supported by the positions of its tax advisers and taking into account the recognised responsibilities, believes that any revisions to these tax returns will not result in material corrections to the consolidated financial statements.

3.9 Inventories

The valuation of inventories and their costing methods are as follows:

	Valuation	Cost Method
Raw materials and subsidiaries	Acquisition cost	Average cost
Goods	Acquisition cost	Average cost
Products work in progress	Production cost	Specific cost
Finished and intermediate products	Production cost	Specific cost

The cost of inventories includes:

- Purchase costs (purchase price, import duties, non-recoverable taxes, transportation, handling and other costs directly attributable to the purchase less trade discounts, rebates and other similar items);
- Conversion costs (labor and production overheads);
- Other costs incurred to place the inventories at their location and conditions;

The costing method used for the measurement of finished and intermediate products before the entry of the new Accounting Standardisation System (SNC) was the basic stock. From the adoption of the new standard, the company measured its inventories of finished and intermediate products at specific cost.

When the net realisable value is lower than the purchase or conversion cost, inventories are written down through the recognition of an impairment loss, which is reversed when the reasons that originated it no longer exist.

For this purpose, net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs necessary to make the sale. Estimates take into account changes related to events that occur after the end of the period to the extent that such events confirm conditions existing at the end of the period.

3.10 Financial assets

Financial assets are recognised in the balance sheet when the companies included in the consolidation are part of the respective contractual relationship.

Financial assets are classified in the following categories: (i) at cost or amortised cost and (ii) at fair value with changes recognised in the income statement.

At the end of the year the Company evaluated the impairment of these assets. Whenever there was objective evidence of impairment, the Company recognized a cost in the income statement.

Objective evidence that a financial asset or a group of assets could be impaired took into consideration observable data which brought to one's attention the following loss events:

The debtor's significant financial difficulty;

Breach of contract, such as failure to pay or default regarding the payment of interest or repayment of debt;

The Company, for economic or legal reasons, related with the debtor's financial difficulty provides the debtor with concessions which it would otherwise not have considered;

It has become probable that the debtor will file for bankruptcy or any other financial reorganization;

Observable information indicating that there is a reduction in the measurement of the estimated future cash flows of a group of financial assets, since their initial recognition.

Individual significant financial assets were individually evaluated for the purposes of impairment. The other assets were evaluated in line with similar credit risk characteristics.

Some specific aspects relating to each type of financial asset are presented below.

(a) Trade receivables

Trade receivables are measured upon initial recognition in accordance with the measurement criteria for sales and services rendered described in point 3.17), being subsequently measured at amortized cost less impairment losses, accordingly to the criteria described above.

(b) Other receivables

Other receivables are valued in the following manner:

- Debtors for accrued earnings;
- Staff debts
- Other debtors.

and are valued at cost less impairment.

(c) Advances to suppliers

These balances are presented at the respective cost less impairment losses, whenever applicable.

Customer balances, other accounts receivable and advances to suppliers are subject to impairment tests on each reporting date. Such financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after their initial recognition, their estimated future cash flows are affected.

(d) Cash and short-term deposits

Cash and short-term deposits comprise cash on hand and short-term bank deposits with an original maturity of three months or less, that may be immediately mobilised with insignificant risk of change in value.

These balances are measured as follows:

- Cash - at cost;
- Deposits without defined maturity - at cost;
- Other deposits with defined maturity - at amortized cost, determined based on the effective interest rate method.

For the cash flow statement purpose, cash and cash equivalents comprise cash, short-term and:

- Bank overdrafts included in the item "Financing obtained";
- The balances of cash and cash equivalents included in the caption "Non-current assets held for sale".

3.11 State and other public entities

The balances of assets and liabilities are determined in accordance with current legislation in place.

Regarding assets, no impairment was recognized as it is considered that this is not applicable given the specific nature of the relationship.

3.12 Deferrals

This item reflects the transactions and other events for which their entire allocation to the income statement in a single financial year is not appropriate, but which should be recognized in the results for future periods.

3.13 Equity

(3.13.1) Issued Capital

In compliance with article 272 of the “Código das Sociedades Comerciais” (“CSC”) – Portuguese Commercial Companies Code, the articles of association indicate the period for the realization of the subscribed and unrealized capital at the date of writing.

(3.13.2) Legal Reserves

According to article 218 of the Portuguese Commercial Code, at least 5% of net profit must each year be transferred to a legal reserve until this reserve equals 20% of share capital.

This legal reserve is not available for distribution and may only be utilised to increase share capital or to absorb losses after other reserves and retained earnings have been exhausted (article 296 of the CSC).

(3.13.3) Other Reserves

This caption includes revaluation reserves made under the terms of the previous accounting rules (and originated upon adoption of the deemed cost on January 1, 2009), net of the corresponding deferred taxes.

Revaluation reserves made under the terms of these laws are only available to increase capital or cover losses incurred up to the date to which the revaluation relates and only after they have been realized (by use or sale).

It also includes the reserves that result from the revaluation made on the transition date, which are only available for distribution after they are realized (by use or sale).

(3.13.4) Retained Earnings

This heading includes the amounts resulting from the decision to apply the positive/negative results obtained during the year or carried forward, taken at a general meeting, available for distribution to shareholders.

(3.13.5) Other equity instruments

This item includes supplementary payments which, according to art. 272 of the CSC, may only be returned after a number of requirements have been met, which aim to defend the solidity of the Company. This type of instrument is recorded at cost.

(3.13.6) Other changes in equity

(3.13.6.1) Derivatives at Fair Value

Changes in value resulting from market conditions that support the calculation of the value of interest and exchange rate hedging instruments are recognised under this caption.

These amounts are determined by the banking institutions with which we contract the operations and are not available for distribution.

(3.13.6.2) Investment subsidies

Non-refundable grants, net of deferred taxes, related to tangible assets; intangible and biological assets are recognised under this heading.

These subsidies are recognized when there is reasonable assurance that the Company complies/will comply with all set of attached conditions and that the subsidy will be received.

Subsequent to initial recognition this account is reduced:

- With respect to grants related to depreciable and intangible fixed assets with a defined useful life, by allocating, on a systematic basis, income over the periods necessary to balance the grants with the related expenses that they are intended to offset
- For non-depreciable and intangible fixed assets with indefinite useful life, the allocation to income in the years in which it is necessary to offset any impairment loss that is recognized in relation to such assets

For biological assets and in accordance with NCRF 17, subsidies that relate to a biological asset measured at fair value shall be recognized as income when they become receivable.

However, the company, unable to reliably measure its biological assets at fair value, decided to measure them at acquisition cost less depreciation, as mentioned in note 3.5, having adopted by analogy the same treatment for investment subsidies. In this way, the recognition of the subsidies as income is made during the useful life of the biological asset that is associated with it.

These grants are not available for distribution until they are transferred to income during the periods necessary to: (i) balance the subsidies with the related costs which they are expected to compensate, i.e., the depreciation and amortization costs and/or (ii) to compensate any impairment loss related to these assets.

(3.13.7) Net profit for the year

This rubric includes gains from increases in fair value in financial instruments, financial investments and investment properties that, according to paragraph 2 of article 32 of the CSC, will only be available for distribution when the elements or rights that gave rise to them are disposed of, exercised, extinguished or liquidated.

3.14 Costs with employees

Following the merger by incorporation of Symington-Vinhos, SA, all its personnel were transferred to the subsidiary Symington Family Estates, Vinhos, SA, with all rights existing in the previously company.

Personnel expenses are recognized when the service is provided by employees regardless of the date of payment.

Below are some specifics regarding each type of personnel expenditure.

(3.14.1) Benefits post-employment

Symington-Vinhos, SA (SV) notified its employees to the alterations on the benefits post-employment from the year of 2013.

The SV created a new plan of defined contribution to its employees starting in January 2013 and freeze the old plan granting the existents rights existents until 31/12/2012 of its employees.

The recognition and the measurement of responsibilities with defined benefits plans is based on NCRF 28– Employees benefits.

The responsibilities of Symington related to this plan are determined by the method of projected unit credit and the respective actuarial calculations performed on an annual basis at each reporting date.

Past service expenses are recognized: (i) immediately, in the part already expired and (ii) on a linear basis during the period remaining the years of service, whose component is not yet due.

The effect of the measurement of responsibilities related to defined benefits plans, including actuarial gains and losses and the return of plan's assets (when applicable), net of interests, is recognized immediately in Equity in Retained Earnings, with no impact in the Income Statement.

Net interest is recognized in the Income Statement and corresponds to the product of the discount rate of the liability for the responsibility value.

The contributions for the defined benefit plan are recorded as expenses in the period to which they related.

The plan assets aren't available for the company creditors neither can be payed directly to the company.

(3.14.2) Vacation and holiday allowance

According to the labour legislation in force, employees are entitled to holidays and holiday allowance in the year following that in which the service is provided. Thus, an increase in the amount payable in the following year was recognised in the income statement, which is reflected in the item "Other payables".

(3.14.3) Profit distribution to employees

In accordance with NCRF 28 - Employee benefits, expected employee profit-sharing and bonus expense shall be recognised in staff costs only in the period to which they relate when the entity has a present or constructive legal obligation and that obligation can be reliably estimated.

The company considers that there is no present or constructive legal obligation to pay any bonuses to employees, so if the shareholders decide to pay any bonus, the respective amount will be considered as an expense in those years.

3.15 Provisions

This item reflects the group's present obligations (legal or constructive) as a result of a past event, out of which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, with uncertainty as to timing or amount but where a reliable estimate can be made of the amount of the obligation.

Where one of the criteria is not met or the existence of the obligation is conditional on the occurrence (or non-occurrence) of a certain future event, the company discloses it as a contingent liability, unless the assessment of the collectability of the outflow of resources for payment is considered remote.

Provisions are measured by the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of a provision is the present value of expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability and that does not reflect risks for which the estimates of future cash flows have been adjusted.

3.16 Financial liabilities

Financial liabilities are recognized when the Company becomes a party of the contractual relationship.

Financial liabilities are derecognized from the balance sheet when the underlying obligations are extinguished through payment, are cancelled or expire.

Financial liabilities are measured as follows:

(a) Loans and borrowings

Loans and borrowings are valued at cost.

Eventually expenses incurred with those loans, including bank fees and stamp duty as well as borrowing costs and similar expenses, are recognized as per the effective interest rate method in results for the period they are incurred.

(b) Trade payables

Trade payables are initially recognized at the respective fair value and, afterwards are measured at amortized cost.

(c) Advances from customers

Advances received from customers are measured at amortized cost.

(d) Other accounts payable

Other accounts payable include:

- Creditors for accrued income;
- Interest rate and interest coverages
- Insurance;
- Other creditors.

and are valued at cost.

(e) Other financial liabilities

This item includes derivative financial instruments for which there are a hedge accounting according standard NCRF 27 (with application of IAS 39).

The financial liabilities are measured as follows:

- Derivatives used to hedge fixed interest rate risk – measured at fair value and variations recognized in results.
- Derivatives used to hedge variability of interest rate risk, foreign exchange risk, commodity risk, etc. measured at fair value and variations recognized in equity.
- Other financial liabilities – measured at fair value and variations recognized in results.

3.17 Foreign currency translation

Assets and liabilities expressed in foreign currencies at the balance sheet date have been converted to Euros at the applicable exchange rates in effect at that date and differences arising from changes in the exchange rates prevailing on the dates of the transactions and those effect at the dates of payment, collection or at year end, are recorded in profit and loss account.

	2019	2018
GBP	0,85080	0,89453
USD	1,1234	1,145
CAD	1,4598	1,5605
SEK	10,4468	10,2548
HKD	8,7473	8,9675
SGD	1,5111	1,5591
DKK	7,4715	7,4673

3.18 Sales and services rendered

Sales and services rendered are measured at the fair value of the retribution received, or to be received, net of commercial discounts or rebates.

Whenever interest free credit is granted to buyers or the influx of cash or cash equivalents is deferred in any other way, the difference between the fair value and the nominal value of the retribution is recognized as interest revenue during the time period, between the date of revenue recognition and the settlement date.

When the sales price includes an amount of identifiable subsequent services, that amount is deferred and recognized as revenue during the period through which the services are rendered.

Although revenue is recognized to the extent that it is probable that the economic benefits linked to the transaction will flow to the Company, whenever an uncertainty arises about the recoverability of an amount already included in revenue, that unrecoverable amount, or the amount whose recovery has ceased to be probable, is recognized as an impairment and not as an adjustment to the value of revenue initially recognized.

The following specifics relate to the recognition of sales and services rendered:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Revenue from the sale of goods shall be recognized when all the following conditions have been satisfied:

Company has been transferred to the buyer the significant risks and rewards of ownership of the goods;
Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
the amount of revenue can be measured reliably;
it is probable that the economic benefits associated with the transaction will flow to the entity; and
the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Services rendered

Revenue from the rendering of services is recognized when the outcome of the transaction can be reliably estimated, which occurs when all the following conditions are met:

the amount of revenue can be reliably measured;
it is probable that the economic benefits associated with the transaction will flow to the Company;
the transaction's completion phase at the balance sheet date can be reliably measured; and
the expenses incurred with the transaction and the expenses needed to conclude the transaction can be reliably measured.

3.19 Operating subsidies

Operating subsidies comprise non-reimbursable subsidies which do not relate to fixed assets. The operating subsidies are recognized when there is reasonable assurance that the Company complies/will comply with all set of attached conditions and that the subsidy will be received.

3.20 Interest and similar expenses

Financing expenses are recognized in the income statement in the period to which they relate to and include:

- Interest expenses determined on the basis of the effective interest rate method;
- Interest from interest rate hedging financial instruments (SWAP)

Only those derivatives that are designated as such and in which the entity expects that changes in the fair value or cash flows of the hedged item, attributable to the risk being hedged, will more or less offset changes in the fair value or cash flows of the hedging instrument are considered to be hedging instruments.

In the absence of detailed guidance in NCRF 27 - Financial Instruments on how to test and document the effectiveness of the hedge, entities included in the consolidation follow the applicable provisions of IAS 39 - Financial Instruments.

Changes in the fair value of hedging derivatives of fixed interest rate risk or commodity price risk held, as well as changes in the fair value of the asset or liability subject to that risk, are recognised in the income statement under "Fair value increases/reductions".

Changes in the fair value of derivatives that hedge interest rate variability risk, foreign exchange risk, commodity price risk within the scope of a commitment or a high probability of future transaction are recognised in equity under "Adjustments to financial assets" in their effective component and in the income statement under "Fair value increases/reductions, in their non-effective component. The amounts recorded under "Adjustments to financial assets" are transferred to the profit and loss account for the period in which the hedged item has an effect on the profit and loss.

In relation to hedging derivatives of a net investment in a foreign entity, the respective variations are recorded in "Other changes in equity as "Translation differences in financial statements" in its effective component. The ineffective component of those variations is immediately recognized in profit and loss. The group chooses to provide this coverage by contracting financing in foreign currency.

Hedge accounting is discontinued when the hedge instrument reaches maturity, is sold or exercised or when the hedge relationship no longer meets the requirements of NCRF 27- Financial Instruments as detailed in IAS 39 - Financial Instruments.

The effective portion of hedging derivatives is presented in the balance sheet under "Other financial assets" or "Other financial liabilities", depending on whether they are a debtor or a creditor, and as non-current or current depending on the item in which the respective hedged instruments are presented in the balance sheet.

3.21 Contingent assets and liabilities

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence, or not, of one or more uncertain future events not totally under control of the Company.

Contingent assets are not recognised in financial statements in order not to result in the recognition of income that may never be realised. However, they are disclosed when the existence of a future inflow is likely.

A contingent liability is:

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) A present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized in the financial statements in order not to result in the recognition of expenses which may never become effective. However, they are disclosed whenever there is a probability of future outflows which is not remote.

3.22 Subsequent events

Events that occur after the balance sheet date and that supply additional information about the conditions that exist at the balance sheet date are registered in the financial statements. Events that occur after the balance sheet date and that supply additional information about conditions that occurred after the balance sheet date are disclosed in notes to the financial statements, if they are material.

3.23 - Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 December 2019, as detailed in note 6.

In compliance with article 6 of Decree-Law no. 158/2009 of July 15, with the new wording of Decree-Law no. 98/2015, which approved the SNC, the entity presents consolidated accounts of the Group constituted by itself and by all the subsidiaries in which it operates:

- Regardless of the ownership of the capital, it should alternatively be verified that:
 - It may exercise, or does exercise, dominant influence or control;
 - It exercises the management as if the two constituted a single entity;
- Being a capital owner:
 - Has the majority of the voting rights, unless it is shown that these rights do not confer control;
 - It has the right to appoint or remove the majority of the members of the governing body of an entity that has the power to govern the financial and operating policies of that entity;
 - Exercises a dominant influence over an entity by virtue of a contract celebrated with that entity or another clause of its articles of association;
 - It holds at least 20% of the voting rights and the majority of the members of the management body of an entity with powers to manage the financial and operating policies of that entity, who have been in office during the financial year to which the consolidated financial statements relate and, in the previous financial year and until the moment they are drawn up, have been exclusively appointed as a result of the exercise of their voting rights;
 - It has, on its own or pursuant to an agreement with other owners of the capital of this entity, the majority of the voting rights of the owners of the capital of this entity;

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether or not control exists.

Subsidiaries are consolidated using the full consolidation method from the date of acquisition, this being the date on which the Group obtains control and continue to be consolidated until the date on which control ceases to exist.

In the consolidation process, unrealized transactions, balances and gains on intragroup transactions and dividends distributed between group companies are eliminated. Unrealized losses are also eliminated unless the transaction reveals evidence of impairment of the assets transferred and not yet disposed of.

The provisions of NCRF 25 - Income Taxes were applied to temporary differences that arose from the elimination of results from intra-group transactions.

Non-controlling interests

Equity and net profit of subsidiaries that are held by third parties outside the Group are shown under Non-controlling interests in the consolidated balance sheet (separately within equity) and in the consolidated income statement, respectively. At the date of each business combination, the amounts attributable to non-controlling interests are determined by applying the percentage of interest they hold to the fair value of the identifiable net assets and contingent liabilities acquired.

Non-controlling interests are presented separately.

When losses attributable to non-controlling interests exceed its interest in the equity of the subsidiary, the Group absorbs this excess and any further losses, except when the non-controlling interests have the obligation and are able to cover such losses. If and when the subsidiary subsequently reports profits, the Group appropriates all profits until the non-controlling interests part of the losses absorbed by the Group has been recovered.

There were changes in the consolidation perimeter in 2017, with the merger by incorporation of the company Symington-Vinhos, SA and on 30/11/2018 a merger by incorporation of the company Viaz-Produção e Comercialização de Vinhos e Azeites, SA into the company Cockburn & C^a., SA.

With the merger made on 28/12/2017, the shareholders of Symington-Vinhos, SA received in exchange a participation of 17,14% on Symington-Family Estates, Vinhos, SA. They received 1.200.000 redeemable preferred shares without voting rights with par value of 5 euros in the total amount of 6.000.000 euros.

3.24 MAIN JUDGMENTS AND ESTIMATES USED IN THE PREPARATION OF THE FINANCIAL STATEMENTS

In the preparation of the financial statements in accordance with SNC, Management utilises judgements, estimates and assumptions that affect the application of the reported accounting principles and amounts.

The estimates and judgements are continuously evaluated and are based on the knowledge of past events and other factors, including expectations concerning future events which are deemed to be probable considering the circumstances in which the estimates were based on, or as a result of information or knowledge obtained. The real

effects may differ from the judgements and estimates that were made, namely those concerning the impact in income and expenses that may really occur.

The most significant accounting estimates reflected in the financial statements are as follows:

(a) Tangible and intangible assets useful lives

The useful life of an asset is the period during which the Company expects that the asset will be available for its use and should be revised at least at the end of each financial year.

The applicable depreciation/amortization method and the estimated losses arising from the replacement of equipment before the end of its useful life on the ground of technological obsolescence, is essential to determine the effective useful life of an asset.

These parameters are defined in accordance with company's best estimate for the assets and business in question, considering as well, the practices adopted by companies in the same industries in which the group operates.

(b) Provisions for taxes

The company supported in the opinion of its fiscal advisors and bearing in mind the responsibilities recognized, believes that any potential corrections resulting from reviews/inspections of these tax returns by the tax authorities will not have a significant effect on the consolidated financial statement that should require the constitution of any provision for taxes.

(c) Post-employment benefits

The assessment of the responsibilities for retirement and health benefits attributed to the Company's employees under defined benefit plans is carried out annually using actuarial studies prepared by independent experts, based on actuarial assumptions associated with economic and demographic indicators. All indicators used are those specific to the countries where employee benefits are attributed and include, among others:

Discount rates based on comparable market rates;

Mortality tables available to the public;

Future increases in wages and pensions based on inflation rates and expected updates for the future.

(d) Impairment of accounts receivable

The credit risk of the balances of accounts receivable is evaluated at each year-end, taking into consideration the historical information of the debtor and his risk profile, as described at point 3.10).

Accounts receivable are adjusted by the evaluation carried out of the estimated collection risks at the balance sheet date, which may differ from the effective risk to be incurred in the future.

(e) Provisions

Provisions are recognised when, and only when, the Company has an obligation (legal or constructive) arising from a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of that obligation.

These factors are often dependent by uncertain future events not controlled by the Company that may lead to significant future adjustments due to changes in the assumptions used or the future recognition of provisions previously disclosed as contingent liabilities.

3.25 MAIN ASSUMPTIONS FOR THE FUTURE

No situations have been identified that are likely to cause material adjustments to the carrying amounts of assets and liabilities during the following year or even put at risk the continuity of the Group.

4. Cash and short-term deposits

Cash and short-term bank deposits comprise the following:

	2019	2018
Cash	172 291	131 280
Short-term deposits	5 799 271	7 729 817
	5 971 562	7 861 097

The balance of Cash and cash equivalents in the Cash flow statement comprises the following:

	2019	2018
Cash	172.291	131.280
Short-term deposits	5.799.271	7.729.817
	5.971.562	7.861.097
Overdrafts (note 22)	-4.014.870	-7.260.800
	1.956.692	600.297

5. Accounting policies, changes in accounting estimates and errors

In the current year no changes occurred in accounting policies and estimates nor were there any correction of errors.

6. Related parties

6.1. Companies included in consolidation

W. & J. GRAHAM & C^a., S.A.

The financial statements comprise the following companies, all of which are directly owned by W & J. Graham & Ca., S.A., with the exception of Cockburn & C^a., SA owned by Symington Family Estates, Vinhos, SA:

Company	Location	2019	2018
		% equity interest	% equity interest
Warre & C ^a ., SA	V. N. Gaia	100%	100%
Symington Family States, Vinhos, SA	V. N. Gaia	83%	83%
Cockburn & C ^a , S.A	V. N. Gaia	83%	83%
Silva & Cosens Holdings (*)	London	N/A	100%
Silva & Cosens Limited	V. N. Gaia	100%	100%

(*) - On 5th June 2019, Silva & Cosens Holdings Limited was dissolved and its assets were transferred to W. & J.Graham & C^a., SA.

These subsidiary companies were included in the consolidation based on the provisions of article 6 of Decree-Law no. 158/2009, of 13 July (most of the voting rights).

Silva & Cosens Limited: the subsidiary's financial statements are incorporated into the consolidated financial statements of W & J.Graham & C^a., SA. This subsidiary is exempt from the requirements of the Companies Act 2006, regarding the obligation to present audited accounts under section 479A of the Companies Act 2006. This exemption is being claimed.

W & J.Graham & C^a., SA. agrees with the exemption being taken by Silva & Cosens Limited.

6.2. NATURE OF THE RELATIONSHIP WITH RELATED PARTIES

The related entities and the type of relationship with these entities are listed in the table below:

Related party	Location	Type of Relationship	
		Services the Group provides/Transaction s it makes	Services the Group receives/Transactions it receives
Warre & C ^a ., S.A.	V.N.Gaia	Administrative Services / Contribution obtained from the management of the farms under the Production Sales Contract	Raw Material Purchases, Expenses Recharge, use of facilities and royalties
Silva & Cosens, Ltd	V.N.Gaia	Expenses Recharge	Royalties Services
Quarles Harris & C ^a ., S.A.	V.N. Gaia	Administrative Services / Storage / Bottling / Insurance / Sale of Raw Materials / Expenses Recharge	Purchase of guarantee Stamps
Prats & Symington, Lda	S.J.Pesqueira	Administrative Services / Bottling / Marketing and Commercialization /	Raw Material Purchases, Expenses Recharge

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		Sales / Expenses Recharge	
Gaia Holding SGPS, S.A.	V.N.Gaia	Administrative Services	-
Cockburn & C ^a , S.A.	V.N.Gaia	Administrative Services / Contribution obtained from the management of the farms under the Production Sales Contract	Raw Material Purchases, olive oil, Expenses Recharge, use of facilities and royalties
Quinta da Fonte Souto, S.A.	Portalegre	Administrative Services / Bottling / Expenses Recharge	Purchase of goods Guarantee Stamps
Portfólio, Vinhos, Lda	V.N.Gaia	Sales	Advertising, Expenses Recharge, purchase of goods
John E. Fells, & Sons, Ltd	Reino Unido	Sales	Marketing Expenses Recharge
Vintage & Fine Wine Intern., Ltd	Reino Unido	Sales	Marketing Expenses Recharge
Vinoteca WJG – Rest. de Vinhos, Lda.	V.N.Gaia	Expenses Recharge and maintenance services	Purchase services and Expenses Recharge

6.3. Balances and transactions with related parties

The amount of transactions and outstanding balances from related parties are those indicated in the table below:

Company	Year	Sales/services rendered	Purchases	Trade receivables (note 15)	Other accounts receivable (note 17)	Trade payables (note 24)	Other accounts payable (note 23)	Customers prepayments (note 25)
Gaia Holding SGPS, SA	2019	560	-	8.910	-	-	-	-
	2018	560	-	7.265	-	-	-	-
Quares Harris & C ^a , S.A.	2019	6.086.937	46.000	3.737.077	19.700	-	-	-
	2018	5.357.011	44.000	3.015.079	-	-	-	-
Prats & Symington, Lda	2019	799.180	338.872	148.289	-	-	-	-
	2018	975.278	341.041	447.780	-	-	-	-
Quinta da Fonte Souto, S.A.	2019	191.755	20.996	388.372	-	-	-	-
	2018	31.129	-	381.003	-	-	-	-
Portfólio, Vinhos, Lda	2019	6.826.572	188.875	3.651.912	2.588	1.790	-	-
	2018	6.122.748	317.358	2.893.674	1.548	83.028	-	-
John E. Fells, & Sons, Ltd	2019	18.311.957	291.907	5.096.295	475	-	468.700	68
	2018	16.136.914	490.844	7.836.905	720.554	41.076	175.688	68
Vintage & Fine Wine Intern., Ltd	2019	16.747.093	684.228	3.538.115	50	-	402.827	961.808
	2018	16.587.090	623.839	4.776.954	399	-	347.525	995.236
Vinoteca WJG – Rest. de Vinhos, Lda.	2019	102.198	114.311	-	17.224	6.698	-	-
	2018	99.204	100.511	-	24.274	28.174	-	-

7. Tangible fixed assets

The gross carrying amount, accumulated depreciation and impairment losses at the beginning and end of the period is as follows:

	Land	Buildings	Plant and machinery	Motor vehicles	Office equipment	Other assets	Work in progress	Advances for tangible fixed assets	Total
Cost:									
January 1st 2018	11 253 863	50 119 063	28 160 690	2 651 817	4 232 630	17 785 875	826 197	27 125	115 057 250
Additions	2 000	250 656	654 977	313 523	199 991	223 497	3 510 024	17 895	5 172 562
Transfers from Work in progress	100	2 125 865	1 117 463	-	4 772	209 101	(3 427 781)	(29 520)	-
Other transfers	-	-	-	-	-	-	(32 250)	-	(32 250)
Sales	(7 311)	-	(427 576)	(122 198)	(10 775)	(118 370)	-	-	(686 230)
Disposals	-	(212)	(56 585)	-	(150 449)	(3 995)	-	-	(211 241)
December 31st 2018	11 248 652	52 495 372	29 448 959	2 843 142	4 276 159	18 096 108	876 189	15 500	119 380 091
Additions	-	219 458	725 901	656 698	187 476	338 853	3 758 616	14 654	5 901 655
Transfers to Tangible assets	-	1 789 396	1 148 703	53 500	105 552	324 972	(3 422 122)	-	-
Other transfers	-	-	-	-	-	-	(46 065)	-	(46 065)
Sales	-	(4 500)	(134 842)	(269 631)	(5 626)	(115 974)	-	-	(530 574)
Disposals	-	(55 216)	(157 691)	-	(65 475)	(19 838)	-	-	(298 220)
December 31st 2019	11 248 652	54 444 510	31 031 030	3 283 709	4 498 095	18 624 121	1 166 618	30 154	124 326 888
Depreciation:									
January 1st 2018	379 474	33 098 589	23 446 973	2 119 899	3 708 595	15 065 059	-	-	77 818 588
Additions	17 451	1 582 347	1 289 069	337 488	266 589	503 164	-	-	3 996 107
Sales	-	-	(352 141)	(122 198)	(10 775)	(106 356)	-	-	(591 470)
Disposals	-	(212)	(56 585)	-	(150 449)	(2 923)	-	-	(210 169)
December 31st 2018	396 925	34 680 724	24 327 316	2 335 189	3 813 960	15 458 943	-	-	81 013 056
Additions	17 467	1 630 466	1 395 578	377 241	267 367	472 940	-	-	4 161 059
Sales	-	(2 700)	(111 907)	(250 068)	(5 626)	(99 718)	-	-	(470 019)
Disposals	-	(37 086)	(157 418)	-	(65 475)	(19 684)	-	-	(279 564)
December 31st 2019	414 392	36 271 404	25 453 568	2 462 362	4 010 225	15 812 481	-	-	84 424 432
Net book value									
As at December 31st 2019	10 834 260	18 173 106	5 577 461	821 347	487 869	2 811 640	1 166 618	30 154	39 902 457
As at December 31st 2018	10 851 727	17 814 648	5 121 644	507 953	462 209	2 637 164	876 189	15 500	38 287 036
AS at January 1st 2018	10 874 389	17 020 475	4 713 708	531 918	524 035	2 729 816	826 197	27 125	37 238 662

8. Investment property

The carrying amount at the beginning and end of the period is as follows:

	Land	Buildings	Work in progress	Total
Cost:				
January 1st 2018	5 090 331	1 179 056	-	6 269 388
Additions	-	-	-	-
December 31st 2018	5 090 331	1 179 056	-	6 269 388
Additions	-	-	12 630	12 630
December 31st 2019	5 090 331	1 179 056	12 630	6 282 018

The fair value of the investment properties incorporated by the merger amounts to around € 5,500,000, the property located in Peso da Régua amounts to € 195,000 and the building acquired in 2016 in Vila Nova de Gaia, maintains the market value of € 1,501,650.

9. Goodwill

Goodwill is attributed as follows:

Company	Acquisition year	2019	2018
Cockburn & C ^a , S.A	2006	11 484 872	11 484 872
Accumulated amortizations		(4 593 949)	(3 445 461)
		6 890 923	8 039 411

10. Intangible assets

The gross carrying amount, accumulated depreciation and impairment losses at the beginning and end of the period is as follows:

	Work in progress	Computer Software	Others	Total
Cost:				
January 1st 2018	100.467	2.249.220	4.547.184	6.896.870
Additions	80.555	6.439	21.368	108.363
Transfers	(79.820)	112.070	-	32.250
Disposals	-	(22.562)	-	(22.562)
December 31st 2018	101.202	2.345.167	4.568.552	7.014.921
Additions	80.355	40.047	1.894	122.296
Transfers	(96.326)	84.446	11.880	-
December 31st 2019	85.231	2.469.660	4.582.326	7.137.217

	Work in progress	Computer Software	Others	Total
Amortizações e Imparidade:				
January 1st 2018	-	2.190.246	1.312.584	3.502.830
Additions	-	76.646	335.315	411.961
Disposals	-	(22.562)	-	(22.562)
December 31st 2018	-	2.244.330	1.647.900	3.892.229
Additions	-	103.823	333.840	437.663
December 31st 2019	-	2.348.153	1.981.739	4.329.892

Net book value				
As at December 31st 2019	85.231	121.508	2.600.587	2.807.325
As at December 31st 2018	101.202	100.838	2.920.652	3.122.692
AS at January 1st 2018	100.467	58.974	3.234.599	3.394.040

11. Non-current biological assets

The amount recorded in the caption “Biological assets” relates to the vineyard plantations held by the group and are as follows:

	Mature vineyards	Immature vineyards	Other plants	Total non-current biological
Cost:				
January 1st 2018	6 596 104	3 680 361	9 442	10 285 907
Additions	-	1 026 923	-	1 026 923
Transfers	912 602	(912 602)	-	-
Annual depreciation	(534 729)	-	(880)	(535 609)
December 31st 2018	6 973 977	3 794 683	8 562	10 777 222
Additions	490 095	51 075	-	541 170
Transfers	(825 251)	825 251	-	-
Annual depreciation	(129 193)	(459 553)	(880)	(589 627)
December 31st 2019	6 509 628	4 211 455	7 682	10 728 765

12. Deferred tax assets and liabilities

The amounts of deferred tax assets and liabilities recognized in the balance sheet for each financial year end are presented in the following table:

	Balance sheet accounts		Income statement accounts		Equity accounts	
	2019	2018	2019	2018	2019	2018
Deferred tax assets						
Fair value derivative financial instruments	217 186	418 482	-	-		(346 017)
Pensions fund	674 909	685 311	(10 402)	(3 608)	685 311	688 919
Actuarial deviations - pensions fund	367 020	76 608	-	-	290 412	62 406
	1 259 114	1 180 400	(10 402)	(3 608)	975 723	405 308
Deferred tax liabilities						
SNC's transition adjustments						
Tax adjustment "Stock básico"	(12 135 751)	(11 935 160)	(239 293)	(150 252)	-	-
Others						
Revaluation reserve	(46 069)	(7 727)	359	630	-	-
	(12 181 821)	(11 942 888)	(238 933)	(149 623)	-	-
			(249 335)	(153 231)	975 723	405 308

13. Inventories

As of 31th December 2019 and 2018, the caption "Inventories" was made up as follows:

Inventories	2019	2018
Merchandise	36 647	24 570
Raw, subsidiary and consumable materials	7 321 409	9 644 077
Finished and intermediate goods	138 918 899	134 584 827
Work in progress	10 554 402	11 071 659
	156 831 358	155 325 134

The amounts of inventories recognized as an expense during the period are shown in the following tables:

Variance in inventories of production:

	Finished and intermediate goods	Work in progress	Total
Inventory at 1 01 2018	(129 583 130)	(11 691 769)	(141 274 899)
Inventory adjustment	6 846 535	(738 478)	6 108 057
Inventory at 31 12 2018	134 584 827	11 071 659	145 656 486
	11 848 232	(1 358 588)	10 489 645
Inventory at 1 01 2019	(134 584 827)	(11 071 659)	(145 656 486)
Inventory adjustment	4 062 919	(125 285)	3 937 634
Inventory at 31 12 2019	138 918 899	10 554 402	149 473 301
	8 396 991	(642 543)	7 754 449

Cost of goods sold, and materials consumed:

	Merchandise	Raw, subsidiary and consumable	Total
Inventory at 1 01 2018	38.043	9.154.357	9.192.399
Purchases	43.831	49.627.144	49.670.975
Inventory adjustment	(98)	4.587.496	4.587.398
Inventory at 31 12 2018	(24.570)	(9.644.077)	(9.668.648)
	57.206	53.724.919	53.782.125
Inventory at 1 01 2019	24.570	9.644.077	9.668.648
Purchases	77.873	47.598.785	47.676.658
Inventory adjustment	(328)	3.656.077	3.655.749
Inventory at 31 12 2019	(36.647)	(7.321.409)	(7.358.057)
	65.468	53.577.530	53.642.998

14. Current Biological Assets

The positive variation that occurred in Current Biological Assets is due to the expenses incurred in the months of November and December 2019 and that will be incorporated in the valuation of the next harvest.

	Immature plants	Total current biological assets
Cost:		
January 1st 2018	593 304	593 304
Increases	511 638	511 638
Decreases	(593 304)	(593 304)
December 31st 2018	511 638	511 638
Increases	461 118	461 118
Decreases	(511 638)	(511 638)
December 31st 2019	461 119	461 119

15. Trade receivables

	2019	2018
Customers, current accounts (balance < 180 days)	11.631.658	19.456.747
Customers, current accounts - Group (balance < 180 days)	16.568.235	11.127.232
Customers, doubtful debts	274.724	274.724
Impairment	(274.724)	(274.724)
	28.199.893	30.583.980

The movement in impairment of receivables in the year was as follows:

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	Opening balance	Impairment of the year	Use	Reversal	Final balance
Year of 2018					
Customers	272.532	2.192	-	-	274.724
	272.532	2.192	-	-	274.724
Year of 2019					
Customers	274.724	-	-	-	274.724
	274.724	-	-	-	274.724

16. State and other public entities

	2019	2018
Receivables from state and other entities		
Income TAX	34.327	308.409
VAT	76.585	102.982
VAT - UE	14.316	18.022
Other Taxes	38.485	24.554
	163.713	453.967
Payables to state and other entities		
Income TAX	559.626	129.086
Income TAX withholdings	212.600	175.178
VAT	199.549	97.789
Other Taxes	441.956	402.390
	1.413.731	804.443

17. Other accounts receivable

	2019	2018
Other receivables		
IFAP - OCM	96.879	193.361
Interest earned on treasury applications	11.489	13.169
Insurance	152.342	142.204
Correction of production orders	-	704.625
Legal proceedings in progress - Tax Authority	-	52.776
Others	434.257	569.404
Other debtors		
Customs	62.116	9.341
REFER - National Railway Network	3.468	3.468
Vintage & Fine Wine Intern.	-	399
Vinoteca WJG, Lda.	17.224	24.274
Others	533.420	494.804
Advances to suppliers	379.761	1.088.423
	1.690.957	3.296.248

18. Deferrals

Expenses and income to be recognized are broken down as follows:

	2019	2018
Expenses to be recognized		
Insurance	45.133	50.509
Equipment under the contract of Quinta das Lages	98.453	110.413
Others	221.620	181.285
	365.205	342.207
	2019	2018
Income to be recognized		
Others	74.301	74.147
	74.301	74.147

19. Share capital and share issuance premiums

The share capital is fully subscribed and paid up and is broken down as follows:

	2019	2018
Share capital issued and fully paid	10.000.000	10.000.000

The capital is fully paid up and is represented by 2,000,000 shares with a nominal value of 5 Euros each.

The issue premiums are reflected in the following table:

	2019	2018
Capital issued premium	46.500.000	46.500.000

20. Non-controlling interests

The non-controlling interests are as follows:

	% Non-controlling interests		Balance sheet		Attributable profit/(loss)	
	2019	2018	2019	2018	2019	2018
Symington Family Estates, Vinhos, SA	17,14%	17,14%	17 011 447	16 065 999	1 020 503	896 762
Total			17 011 447	16 065 999	1 020 503	896 762

21. Provisions (losses / reversals)

The amount of the provisions recognized in the balance sheet are as follows:

Recognition in Balance sheet:

	2019	2018
Opening balance	21 709	21 709
Movement of the year	-	-
Final balance	21 709	21 709

Recognition in Income Statement:

	2019	2018
	-	-

22. Interest bearing loans and borrowings

	Rate	Maturity	2019	2018
Current loans				
Bank overdraft (Banco BPI)	0,750%	In cash	297 098	-
Bank overdraft (CGD)	0,500%	In cash	3 111 037	4 912 022
Bank overdraft (BCP)	0,625%	In cash	604 812	2 348 777
Bank overdraft (NB)	0,900%	In cash	1 924	-
			4 014 870	7 260 800
Non current loans				
Bond Loans				
Symington Family Estates/2012	5,66%	2022	2 500 000	2 500 000
Symington Family Estates/2013	4,61%	2023	2 500 000	2 500 000
Symington Family Estates/2015	3,25%	2025	3 000 000	3 000 000
Preferential non-voting redemption shares	0,00%	0	6 000 000	6 000 000
Commercial paper (Banco BPI)	-	-	23 966 173	30 944 744
			37 966 173	44 944 744

Other financial liabilities are essentially derivative financial instruments relating to the fair value of an interest rate hedge swap contracted with Santander Totta bank.

23. Other accounts payable

	2019	2018
Non-Current		
Others payables (A)	831 028	870 586
	831 028	870 586
Current		
Suppliers of fixed assets	1 180 232	1 267 960
Accrued expenses		
Salaries	1 875 557	1 785 087
Marketing and Advertising	43 129	21 857
Marketing - pricing	449 574	274 388
Discounts - pricing	388 647	201 215
Commissions - pricing	190 909	198 018
Loan interest	125 202	291 189
Insurance	131 550	135 265
Harvest price differences	708 998	832 283
Dividends from redemption shares	236 767	234 247
Assurance	4 620	6 000
Others	733 869	162 132
Other creditors		
Consultants, advisors and intermediaries	1 104 321	1 236 320
Others	4 721	4 120
	7 178 096	6 650 081
	8 009 124	7 520 667

(A) Amount referring to the tax effect of investment subsidies.

24. Trade payables

	2019	2018
Suppliers, current accounts	18 912 022	19 975 981
Suppliers, current accounts - Group (note 6.2)	8 488	152 278
	18 920 510	20 128 258

25. Customer advances

	2019	2018
Current		
Customer prepayments - Group (note 6.2)	961 876	995 304
Customer prepayments	(16 684)	(26 289)
	945 192	969 015

26. Other financial liabilities

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Other financial liabilities are recognized as follows:

	2019	2018
Other Financial liabilities	965 271	1 859 919
	965 271	1 859 919

The amount mentioned in the item other financial liabilities, refers to a hedging derivative - interest rate swap, to cover interest-bearing debt.

27. Sales and services rendered

	2019	2018
Goods	361 876	280 521
Finished and intermediate products	93 388 963	89 080 554
Raw materials	795 877	770 941
Subproducts, desp. and refuse	118 529	121 339
Biological assets	216 508	165 150
Others	129	4 280
Returns	(37 802)	(60 676)
Discounts and rebates	(4 771 349)	(4 601 791)
	90 072 731	85 760 317
Services		
Services rendered	7 922 539	7 717 446
	7 922 539	7 717 446
	97 995 270	93 477 764

28. Operating subsidies

The amount of grants recognized during the year was as follows:

Recognized in equity:

	Opening Balance	Increase	Recognition in Income Statement	Merger	Final Balance
Year 2018					
Gross value	2 655 549	1 377 201	(163 478)	-	3 869 272
Tax	(596 262)	(282 065)	7 741	-	(870 586)
	2 059 287	1 095 136	(155 738)	-	2 998 686
Year 2019					
Gross value	616 148	22 557	(22 179)	-	616 526
Tax	(138 633)	(85)	-	-	(138 718)
	477 515	22 472	(22 179)	-	477 808

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Recognized in the income statement:

	2019	2018
Other income and gains		
Investment subsidies	81 173	163 478
	81 173	163 478
Operating Subsidies		
OCM project	155 887	-
Olive	11 269	7 147
Single Payment Scheme	48 785	47 487
Biologic agriculture	65 756	68 302
VITIINOV(cooperação para a inovação)	-	-
Integrated Production (Agro - Silvo – Ambientais)	136 124	129 091
VINESCOUT	-	77 791
NSAC (I&D)	-	27 139
Others	10 910	3 371
	428 731	360 328
	509 904	523 806

29. Third party supplies and services rendered

	2019	2018
Subcontracts	605 771	605 362
Specialized works	287 046	288 355
Services	211 250	209 279
Security and surveillance	344 912	318 160
Marketing and advertising	4 728 267	4 461 800
Commissions	315 595	457 966
Upkeep and repair	2 029 659	1 890 863
Temporary job	313 912	420 457
Audit and consulting services	387 259	281 994
Intellectual property services	69 316	38 756
Tools and utensils	51 617	54 397
Fertilizers and chemicals	309 296	314 500
Books and technical papers	2 945	4 805
Office material	39 764	34 809
Corporate gifts	13 177	21 191
Foodstuffs Shop Tourism	140 867	95 123
Others materials	277 452	273 159
Electricity	483 851	817 415
Fuels	344 627	8 097
Water	120 660	106 650
Other fluids	18 792	22 085
Travel and accommodation and transports	1 601 155	1 497 784
Rentals	449 046	321 350
Communication	130 109	202 219
Insurance	397 726	415 273
Litigation and notary	3 640	5 209
Representation expenses	193 093	198 539
Cleaning, hygiene and confort	260 769	247 468
Other services	976 381	880 135
	15 107 953	14 493 202

30. Personnel expenses

The details of personnel expenses are as follows:

	2019	2018
Director's remuneration	1 834 857	2 003 922
Employees remuneration	11 486 759	10 881 179
Other benefits post-employment	846 748	865 841
Indemnizations	40 110	7 879
Social security	2 624 990	2 517 436
Work accidents insurance	143 901	137 328
Social expenses	916 650	908 912
Other personnel expenses	325 715	272 728
	18 219 730	17 595 224

The average number of employees at service on 2019 was: 438 (2018: 419).

30.1 Post-employment benefits

Defined contribution plan

The annual contribution made by the SFE was as follows:

	2019	2018
Annual contribution	136 102	129 526
	136 102	129 526

Defined benefits plan

The present value of the opening and closing balances of the present value of the benefit obligation is as follows:

	31/12/2019	31/12/2018
A. Movements on responsibilities		
1. Responsibilities at the beginning of the period	8 508 063	8 523 452
2. Current costs	185 691	217 691
3. Interest costs	172 111	182 012
4. Actuarials (gains)/losses	(60 635)	(319 761)
5. Expected benefits	(261 995)	(229 887)
6. Changes on the assumptions	1 670 213	134 556
7. Responsibilities at the end of the period	10 213 448	8 508 063
B. Movements on the fund		
1. Fund value at the beginning of the period	5 121 760	5 398 471
2. Expected income	104 032	115 740
3. Income gain/(loss)	320 293	(430 713)
4. Contributions made by the company	300 000	300 000
5. Benefits paid	(263 431)	(261 738)
6. Fund value at end of the year	5 582 654	5 121 760
C. Values recognized in the balance sheet		
1. Responsibilities	10 213 448	8 508 063
2. Fund	5 582 655	5 121 760
3. Responsibilities net value	4 630 793	3 386 303
Fund of compensation on work	(43 254)	(30 158)
	(43 254)	(30 158)
	4 587 539	3 356 145

The total of expenses recognized with post-employment is as follows:

	2019	2018
Plan of defined contribution	136 102	129 526
Plan of defined benefit		
Current costs	185 691	217 690
Interest costs	68 079	66 273
Other benefits	456 876	452 352
Actuarials losses/(gains)	-	-
	710 646	736 315
	846 748	865 841

The expected asset's return rate is determined based on existent market expectations, applicable for the period during which the obligation must be settled.

The principal actuarial assumptions used at the end the year were as follows:

	2019	2018
Finantial assumptions	%	%
Expected wage increases	2,00%	2,00%
Expected pension increases	0,25%	0,25%
Women's mortality table	TV88/90	TV88/90
Men's mortality table	TV73/77	TV73/77

The discount rate used was: 0,90% (2018: 2,01%)

Since there was a decrease in the discount rate, there were net actuarial losses in the year of 1.290.720 euros, resulting from the change in assumptions, being recognized directly in equity.

31. Other operating income

	2019	2018
Cash discounts obtained	515	125 522
Favourable exchange differences	389 236	128 093
Cash discounts	120 138	576
Other supplementary income	31 053	30 737
Income and gains on non-financial assets	282 437	269 974
Tangible Fixed Asset Disposal	54	5 400
Gains in inventories	510 314	910 128
Additional income	64 074	100 582
Corrections relating to earlier periods	71 358	107 625
Imputation of investment subsidies	145 890	163 478
Tax refund	194 214	58 336
Invoice price difference	1 026	2 061
Other income and gains not specified	25 365	67 136
	1 835 674	1 969 648

32. Other operating expenses

	2019	2018
Taxes	856 756	915 155
Expenses and losses on non-financial investments	29 314	11 195
Write-offs	154	-
Losses in inventories	1 156 653	1 586 077
Cash discounts	582	744
Claims	-	2 722
Corrections relating to prior periods	76 878	82 480
Donations	131 251	12 772
Quota payments	184 161	192 686
Fines and other penalties	363	484
Undocumented expenses	2 686	1 551
Insufficient tax estimate	1 109	52 264
Offers and inventory samples	363 916	388 221
Undocumented charges	6 367	5 983
Customer guarantees	16 471	1 861
Invoice price difference	4 484	2 151
Unfavourable exchange differences	199 395	145 864
Other	167 752	18 717
	3 198 290	3 420 926

33. Depreciation and amortization expenses / (reversals)

	2019	2018
Depreciation and amortization expenses		
Tangible fixed assets	4 161 060	3 996 108
Intangible assets	437 663	411 961
Goodwill	1 148 487	1 148 487
Biological assets	589 626	535 608
	6 336 835	6 092 164

34. Interest and similar income obtained

	2019	2018
Interest income		
From deposits	49 250	49 182
From indemnities	-	805
	49 250	49 987

35. Interest and similar expenses

	2019	2018
Interest expenses		
Financial instruments - interest rate coverage	-	1 269 186
Interest on bank loans	19 030	16 364
Interest bond loan	363 331	365 720
Other interest	136 090	138 051
Late payment and compensatory interest	1 501	26
Financial instruments - preferred shares / vote	759 960	750 000
Other financing expenses and losses	152 730	204 095
	2 340 332	2 743 443

36. Income tax on profit / (loss) for the year

The Group's subsidiaries are primarily based in Portugal, and subject to Portuguese income taxes.

Income taxes in Portugal recorded in the profit and loss statement for the years ended 31 December 2019 and 2018 can be detailed as follows:

	2019	2018
Current tax		
IRC (corporation tax) for the year	2 488 203	2 288 502
Deferred tax		
Effect of variance of temporary differences	249 335	153 231
	2 737 538	2 441 733

The reconciliation between the effective average tax rate and the applicable tax rate is presented in the table below:

	Tax Base		Tax rate	
	2019	2018	2019	2018
Pre tax income / (loss)	9 217 235	8 218 177		
Rate of income tax in Portugal	22,50%	22,50%		
Tax on profit at the nominal rate	2 073 878	1 849 090	22,50%	22,50%
Non-taxable income				
Accounting gains	282 377	270 226		
Difference between tax and accounting gains	-	7 278		
Tax benefits	244 966	247 658		
Tax restitution	194 214	58 336		
Deposit to pensions fund	-	300 000		
Others	1 063 523	667 789		
	1 785 080	1 551 287		
Non deductible costs for tax purposes				
Depreciations and amortizations not accepted as costs	22 153	11 664		
Donations not accepted or beyond the legal limit	13 609	9 323		
Expenses improperly documented	6 367	5 983		
Undocumented expenses	2 686	1 551		
Depreciation not accepted as expenses	1 454 060	1 447 890		
Increase of depreciation as a result of tangible asset's revaluation	1 595	1 602		
Fines, administrative fines and compensatory interest	2 614	509		
Difference between tax and accounting gains	135 199	134 312		
Non-deductible social expenses	274 989	304 034		
Accounting of the pension fund and others	264 243	294 487		
Insufficient tax estimate	1 109	52 264		
Others	10 743	500		
	2 189 367	2 264 120		
Taxable profit	9 621 522	8 931 010		
Total	9 621 522	8 931 010		
Income tax rate	21,00%	21,00%		
Calculated tax	2 020 520	1 875 512		
Municipal surcharge	129 175	122 737		
State surcharge	215 517	176 029		
Autonomous taxation	122 990	114 224		
Effect of increase / reversion of deferred taxes	249 335	153 231		
Income tax	2 737 538	2 441 733	29,70%	29,71%

37. Other information

37.1 Guarantees

Beneficiary	Effect	2019	2018
DGAJEC	Customs - alcoholic beverages circulation	609 627	1 075 758
FGA	Motor guarantee fund	-	-
Segurança Social	Executive process - social security	31 733	31 733
ARH NORTE	Wastewater treatment plant - Qta. Cavadinha	15 375	19 750
IFAP	Vineyard reconversion	1 107 512	1 383 476
AUTORIDADE TRIBUTÁRIA	Executive process - revenue	477 247	450 497
Direcção Geral Contribuições e Impostos	Executive process - revenue and VAT	-	15 482
Serv. Finanças V.N.Gaia 1 ^a	Executive process - revenue	32 263	17 794
REFER	Level crossing - Quinta do Bomfim	10 748	17 017
		2 284 505	3 011 507

37.2 Financial instruments risk

Financial risk is the risk that the fair value or future cash flows of a financial instrument can vary and that results will be different than expected, whether positive or negative, changing the Group's equity value. In carrying out its current activities, the Company is exposed to a variety of financial risks that could alter its equity value, which, according to its nature, can be grouped into the following categories:

Market risk

Interest rate risk

Exchange rate risk

Other price risks

Credit risk

Liquidity risk

The management of the above-mentioned risks - risks that result largely from the unpredictability of financial markets - requires the careful application of a set of rules and methodologies approved by the Board of Directors, the ultimate objective of which is to minimize their potential negative impact on the value Group's equity and performance.

With this objective in mind, all management is guided by two essential concerns:

Reduce, whenever possible, fluctuations in results and cash flows subject to risk situations;

Limit deviations from expected results, through strict financial planning.

As a rule, the Group doesn't assume speculative positions, so generally the operations carried out within the scope of financial risk management are aimed at controlling existing risks to which the Group is exposed.

The Board of Directors defines principles for risk management as a whole and policies that cover specific areas, such as foreign exchange risk, interest rate risk, the use of derivative or non-derivative financial instruments and the investment of excess liquidity.

Financial risk management - including its identification and assessment - is conducted by the Financial Department in accordance with policies approved by the Board of Directors.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will vary, due to changes in market interest rates, changing the Group's equity value.

The Group faces a risk of fluctuations in cash.

Exchange rate risk

Exchange rate risk is the risk that the fair value or cash flows of a financial instrument will vary as a result of changes in exchange rates.

The Group's globalization means that it is exposed to the exchange rate risk of different countries' currencies, however, and most of the Group's sales are made in Euros, significantly reducing its exposure to possible exchange rate fluctuations.

Credit risk

Credit risk is the risk that a counterparty will fail to meet its obligations under a financial instrument causing a loss.

The Group is subject to credit risk with respect to the following activities:

Operating activity - customers, suppliers and other accounts receivable and payable.

Risk mitigation is achieved preventively before exposure to risk, using information provided by external companies, as well as strict internal procedures.

Therefore, the management of credit risk related to customers and other accounts receivable is carried out as follows:

Implementing policies, procedures and controls established by the Group;

Credit limits are established for all customers based on internal evaluation criteria;

The credit quality of each customer is assessed based on information on credit quality provided by external specialized companies.

Liquidity risk

The objective of the liquidity risk management policy is to ensure that funds are always available, enough to enable them to meet all financial commitments assumed in due time. Therefore, it is a question of ensuring that the financial resources (balances and inflows of funds), necessary to resolve commitments (outgoing financial flows), are available, when these become due.

The effective management of financial liquidity risk is closely related to the adequate management of the remaining risks which complementarily contribute to the pursuit of this objective, ensuring the realization of cash flows cash, at the times and predicted amounts.

38. Events after the balance sheet date

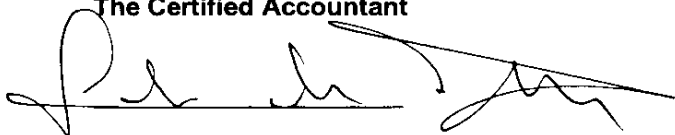
Despite the health, social and economic impacts that the pandemic resulting from the SARS-COV-2 virus is causing, and maintaining close and careful monitoring of the situation, we are convinced that our Society will not suffer such significant impacts that they can prevent the continuity of our activity. We are currently inventorying the potential impacts that we may have to fit, considering the costs of donations, measures and means of protection, alteration of procedures, as well as care to be taken in order to ensure the supply chain, including the harvest and winemaking in our cellars.

After analysing customer collection risks, developed to date, in addition to some additional credit concessions, some sales reduction that is still too early to estimate, but which may attenuate our ability to free up financial resources, there is a guarantee of continuity supplying essential raw materials and sufficient bank credit lines that will ensure the continuity of your and our activity.

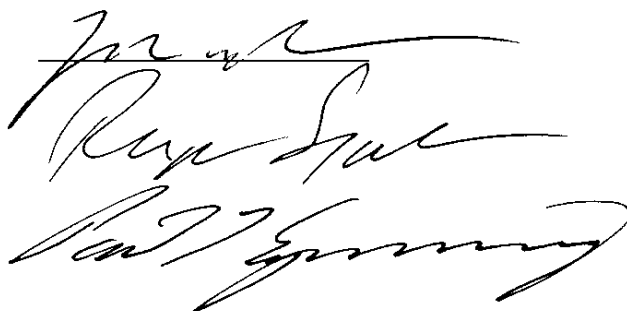
The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, we continue to adopt the going concern basis in preparing the financial statements

There are no other events after 31 December 2019 which may influence the presentation and the interpretation of the present financial statements reported at that date.

The Certified Accountant



The Board of Directors



*(Translation from the original document in the Portuguese language.
In case of doubt, the Portuguese version prevails)*

Statutory Auditor's Report

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of W. & J. Graham & CA., S.A. (the Group), which comprise the Consolidated Balance Sheet as at 31 December 2019 (showing a total of 261.554.411 euros and a total equity of 172.454.168 euros, including a net profit for the year of 5.459.194 euros), the Consolidated Income Statement by Nature, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of the W. & J. Graham & CA., S.A. as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines as issued by the Institute of Statutory Auditors. Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. We are independent of the entities comprising the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Institute of Statutory Auditors' code of ethics.

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

Emphasis of matter

The recent developments surrounding the Covid-19 pandemic (Coronavirus) have a significant impact on the health of people and our society as a whole; increasing uncertainty around the operational and financial performance of organisations. The impacts and uncertainties resulting from the Covid-19 pandemic (Coronavirus) are disclosed in Note 38 of the Notes to the consolidated financial statements and reflect the expectations of the Board of Directors of the Group, based on the information available at that date. Our opinion has not been modified in relation to this matter.

Responsibilities of management for the consolidated financial statements

Management is responsible for:

- the preparation of consolidated financial statements that presents a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the Accounting and Financial Reporting Standards adopted in Portugal under the Portuguese Accounting System;
- the preparation of the Management Report in accordance with the laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Group's ability to continue as a going concern, and disclosing, as applicable, matters related to going concern that may cast significant doubt on the Group's ability to continue as a going concern.

Auditor's responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

- obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion; and

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

Our responsibility also includes the verification that the information contained in the Management Report is consistent with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the Management Report

Pursuant to article 451, nr. 3, paragraph e) of the Commercial Companies Code, it is our opinion that the Management Report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatement.

Oporto, 21 July 2020

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Represented by:

(Signed)

Rui Manuel da Cunha Vieira - ROC nr. 1154
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Certificação Legal das Contas

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS CONSOLIDADAS

Opinião

Auditámos as demonstrações financeiras consolidadas anexas de W. & J. Graham & CA., S.A. (o Grupo), que compreendem o Balanço Consolidado em 31 de dezembro de 2019 (que evidencia um total de 261.554.411 euros e um total de capital próprio de 172.454.168 euros, incluindo um resultado líquido atribuído aos detentores de capital da empresa, enquanto mãe do Grupo, de 5.459.194 euros), a Demonstração Consolidada dos Resultados por Naturezas, a Demonstração Consolidada das Alterações no Capital Próprio e a Demonstração Consolidada dos Fluxos de Caixa relativas ao ano findo naquela data, e as notas anexas às demonstrações financeiras consolidadas que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras consolidadas anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira consolidada de W. & J. Graham & CA., S.A. em 31 de dezembro de 2019, o seu desempenho financeiro consolidado e os seus fluxos de caixa consolidados relativos ao ano findo naquela data, de acordo com as Normas de Contabilidade e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística.

Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção "Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas" abaixo. Somos independentes das entidades que compõem o Grupo nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Ênfase

Os recentes desenvolvimentos resultantes da pandemia Covid-19 (Coronavírus) têm um impacto significativo na saúde das pessoas e na sociedade como um todo, aumentando a incerteza sobre o desempenho operacional e financeiro das Organizações. Na nota 38 do Anexo às demonstrações financeiras consolidadas são divulgados os impactos e incertezas resultantes da pandemia Covid-19 (Coronavírus), estimados pelo Conselho de Administração para o Grupo, com base na informação disponível à data. A nossa opinião não é modificada em relação a esta matéria.

Responsabilidades do órgão de gestão pelas demonstrações financeiras consolidadas

O órgão de gestão é responsável pela:

preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa do Grupo de acordo com as Normas de Contabilidade e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística;

elaboração do Relatório de Gestão nos termos legais e regulamentares;

criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorções materiais devido a fraude ou erro;

adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e

avaliação da capacidade do Grupo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras consolidadas como um todo estão isentas de distorções materiais devido a fraude ou erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

identificamos e avaliamos os riscos de distorção material das demonstrações financeiras consolidadas, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;

obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Grupo;

avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;

concluimos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Grupo para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Grupo descontinue as suas atividades;

avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras consolidadas, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;

obtemos prova de auditoria suficiente e apropriada relativa à informação financeira das entidades ou atividades dentro do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela orientação, supervisão e desempenho da auditoria do Grupo e somos os responsáveis finais pela nossa opinião de auditoria; e

comunicamos com os encarregados da governação, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificado durante a auditoria.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do Relatório de Gestão com as demonstrações financeiras consolidadas.

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o Relatório de Gestão

Dando cumprimento ao artigo 451, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o Relatório de Gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações financeiras consolidadas auditadas e, tendo em conta o conhecimento e apreciação sobre o Grupo, não identificámos incorreções materiais.

Porto, 21 de julho de 2020

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Representada por:



Rui Manuel da Cunha Vieira - ROC n.º 1154
Registado na CMVM com o n.º 20160766