

**COWRA CROSSING
VINEYARD PROJECT
AND PROPERTY TRUST
ARSN 099 233 271**

**Report on the Project at
30 June 2003**

**Managed by
Blaxland Vineyards Limited
ACN 067 514 792**

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S REPORT

Blaxland Vineyards Limited (the Responsible Entity) submits the Financial Statements of the project for the year ended 30 June 2003. The following persons held offices as directors of the Responsible Entity at the date of this report, and at all times during and since the end of the financial year.

Mr Ronald Collins
Mr Philip Slee
Mr Robert Gibson

Financial Highlights

The year ended 30 June 2003 delivered a far greater profit to growers than had previously been experienced. The viticultural risk has now been passed to the vineyard manager who has agreed to take the grapes at a fixed price per hectare, regardless of the tonnage and market prices. This formula will continue to the end of the initial project in June 2008 with both income and costs to be increased by 2% each year. This year total revenue from the crop amounted to \$987,998 compared to \$728,833 in 2002. Profit available for distribution after payment of costs for 2003 came to \$401,898 compared with \$146,271 in 2002. Additional gains were achieved this year as a result of not needing to take out crop insurance.

Review of Operations

We are continuing to monitor the progress of the vineyard and its assets so that the property maintains its value through to the end of the project. Reports are carried out by independent viticultural experts and these are referred to McGuigan Simeon Wines Limited for action where necessary. The vineyard has five more vintages to complete before a decision is reached as to its future. During that time we will be actively promoting it to prospective customers to see if we can write a new long term grape contract for the fruit. We will also be looking to write a new vineyard management agreement.

Principal Activity

The principal activity of the project is to grow and market grapes.

No significant change in the nature of these activities occurred during the year.

Distributions Paid

Distributions paid or declared since the start of the financial year amounted to \$565,463 (2002: \$146,271).

Significant Changes in the State of the Affairs

There was no significant change in the state of the project's affairs during the year.

After Balance Date Events

At the date of this report there is no other matter of circumstance which has arisen since 30 June 2003 that has significantly affected or may significantly affect:

- the operations of the project
- the results of those operations; or
- the state of affairs of the project in subsequent financial years

Likely Developments

There are no developments or changes to the current position and arrangements for running the vineyard. The financial result anticipated for 2004 should be similar to the 2003 result.

Environmental Regulation

The project's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory of Australia.

Options

No options over unissued interests in the project were granted during or since the end of the year and there were no options outstanding at the date of this report.

Interests Issued

No grower interests were issued during the year. There were eleven interests held by the responsible entity or its associates at the end of the financial year. There were no withdrawals from the scheme during the year.

Fees Paid to the Responsible Entity

During the financial period \$586,102 (2002: \$468,555) was paid to Blaxland Vineyards Limited as fees to operate the project. The total cost of the project for the financial period to 30 June 2003 was met from these funds as set out in the Prospectus.

Deleted: , manage and develop

Indemnification of Officers and Auditors

The Responsible Entity under its Articles of Association agrees to indemnify every director and officer of the Responsible Entity against liability incurred as a director or officer to the extent permitted by the Corporations Law.

The Responsible Entity also agreed to indemnify every director, secretary, auditor and other officer of the responsible entity against any liability incurred in defending any legal proceedings.

No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity or intervene in any proceedings to which the Responsible Entity is

a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings.

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

Signed in accordance with the resolution of the Board of Directors of the Responsible Entity.

Ronald M. Collins
Director

Philip J. Slee
Director

Dated: September 2003

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

DIRECTORS' DECLARATION

The directors of the Responsible Entity declare that:

1. The financial statements and notes of the Cowra Crossing Vineyard Project are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2003 and performance for the year ended on that date of the project.
2. In the directors' opinion there are reasonable grounds to believe that the project will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

Director
Ronald M. Collins

Director
Philip J. Slee

Dated: September 2003

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
Revenues from ordinary activities	2	988,000	728,833
Expenses from ordinary activities	3	(586,102)	(468,555)
Profit from ordinary activities before income tax expense		401,898	260,278
Income tax expense relating to ordinary activities	1	-	-
Profit from ordinary activities after income tax expense		401,898	260,278
Distribution to growers	4	(565,463)	(146,271)
Increase/(Decrease) in equity		(163,565)	114,007

The accompanying notes form part of these financial statements.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003**

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets		69,902	19,930
Receivables	5	-	334,894
Other	6	581,658	444,600
TOTAL CURRENT ASSETS		<u>651,560</u>	<u>799,424</u>
TOTAL ASSETS		<u>651,560</u>	<u>799,424</u>
CURRENT LIABILITIES			
Payables	7	69,963	54,262
TOTAL CURRENT LIABILITIES		<u>69,963</u>	<u>54,262</u>
TOTAL LIABILITIES		<u>69,963</u>	<u>54,262</u>
NET ASSETS		<u>581,597</u>	<u>745,162</u>
EQUITY			
Contributed Equity	4	<u>581,597</u>	<u>745,162</u>

The statement of financial position should be read in conjunction with the accompanying notes.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2003**

	Note	2003 \$	2002 \$
CASH FLOW FROM OPERATING PROFIT			
Receipts from customers		1,322,894	647,094
Payments to investors		(565,463)	(146,271)
Payment to suppliers		(707,459)	(480,893)
Net cash provided by (used in) operating activities		<u>49,972</u>	<u>19,930</u>
Net (decrease) increase in cash held		49,972	19,930
Cash at Beginning of Financial Year		19,930	-
Cash at end of year		<u>69,902</u>	<u>19,930</u>

NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at bank	<u>69,902</u>	<u>19,930</u>
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Reconciliation of cash flows from operations with profit from ordinary activities after income tax

Profit from ordinary activities after income tax	401,898	260,278
(Increase)/decrease in current receivables	334,894	(81,739)
(Increase)/decrease in current prepayments	(137,058)	(66,600)
Increase/(decrease) in current payables	15,701	54,262
Profit distributed to Growers	<u>(565,463)</u>	<u>(146,271)</u>
Cash flows from operations	<u>49,972</u>	<u>19,930</u>

The accompanying notes form part of these financial statements

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with the Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The Accounting Standards have been consistently applied unless otherwise stated. The following specific policies have been applied consistently unless otherwise stated:

(a) Basis of accounting

These financial statements have been prepared in accordance with the historical cost convention, except for certain assets which are at current valuation. Cost in relation to assets represents the cash amount paid or the fair value of the asset given in exchange.

(b) Income and expenditure recognition

Income and expenditure belong to the individual growers.

Income is recognised by the project when the goods are provided. Expenditure is not recognised by the project until the project starts generating income. Once income is generated, all expenses are recorded in the project accounts as they are incurred.

(c) Income Tax

The Project is not a taxable entity under the Income Tax Assessment Act 1936.

(d) Cash

For the purposes of the statement of cash flows, cash includes cash on hand and in banks and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

(e) Non-current investments

Non-current investments are brought to account at cost or at directors' valuation. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. Where the cost exceeds the recoverable amount, the investment has been written down to this recoverable amount. The expected net cash flows from investments have not been discounted to

their present value in determining the recoverable amounts except where stated.

(f) Trade and other creditors

These amounts represent liabilities for services provided to the economic entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

	2003	2002
	\$	\$
2. REVENUE		
Operating activities		
- grape sales	988,000	728,833
Total Revenue	<u>988,000</u>	<u>728,833</u>
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
Vineyard Maintenance Fee	<u>586,102</u>	<u>468,555</u>
4. GROWERS EQUITY		
Opening Balance	745,162	631,155
Net Profit available to Growers	401,898	260,278
Distribution to Growers	<u>(565,463)</u>	<u>(146,271)</u>
Closing Balance	<u>581,597</u>	<u>745,162</u>
5. RECEIVABLES		
Current		
Simeon Wines Limited	<u>-</u>	<u>334,894</u>
6. OTHER CURRENT ASSETS		
Prepaid Vineyard Maintenance Fees	544,545	444,600
Prepaid Licence Fees	37,050	-
Loan to Blaxland Vineyards	<u>63</u>	<u>-</u>
	<u>581,658</u>	<u>444,600</u>
7. PAYABLES		
Current		
Blaxland Vineyards Limited	<u>69,963</u>	<u>54,262</u>

8. SEGMENT REPORTING

The Project operates in the viticultural industry of Australia.

9. FINANCIAL INSTRUMENTS

Interest Rate Risk

The Project's exposure to interest rate risk, which is the risk that a financial instrument value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities, is as follows

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2003 %	2002 %	2003 \$	2002 \$
Financial Assets				
Cash	-	-	69,902	19,930

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at 30 June 2003 to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

The Project does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Project.

Net Fair Values

The net fair value of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form other than listed investments. Financial assets where the carrying amount exceeds net fair values have not been written down as the Project intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

10. THE PROJECT AND PROPERTY TRUST

The Cowra Crossing Vineyard Project and Property Trust (ARSN 099 233 271) is a Managed Investment Scheme for which the Responsible Entity is Blaxland Vineyards Limited.

11. THE RESPONSIBLE ENTITY

The Responsible Entity is Blaxland Vineyards Limited (ABN 61 067 514 792) of 493 High Street, Maitland, NSW, 2320.

**INDEPENDENT AUDIT REPORT
TO THE TRUSTEES OF
COWRA CROSSING VINEYARD PROJECT**

Scope

We have audited the financial statements, being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to and forming part of the Financial Statements of The Cowra Crossing Vineyard Project for the year ended 30 June 2003. The directors of the Responsible Entity are responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Responsible Entity.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the project's financial position, the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Cowra Crossing Vineyard Project is in accordance with:

- a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the project's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

- b) Other mandatory professional reporting requirements in Australia

WIDINS
Chartered Accountants
Sydney:

R E Mayberry
Partner

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S REPORT

Blaxland Vineyards Limited (the Responsible Entity) submits the Financial Statements of the Trust for the year ended 30 June 2003. The following persons held office as directors of the Responsible Entity at the date of this report and at all times during or since the end of the financial year.

Ronald Malcolm Collins
Philip James Slee
Robert John Gibson

Financial Highlights

The Trust recorded a neither a profit nor a loss (2002: profit \$NIL) for the year. However, the Responsible Entity received a fee in 2003 from the trust of \$14,493 (2002 \$11,094) to cover costs relating to activities as Custodian and in connection with regulatory compliance. These costs replace the cost of trustee who resigned in December 2001 and whose annual fee was \$25,000.

In accordance with the Prospectus and the Constitution of the Trust, Blaxland Vineyards Limited issued 31,720 units in the Trust to itself, representing 5% of the issued units in the Trust after the issue. A further 5% will be issued in 2004. At that time, Blaxland Vineyards Limited will be entitled to 20% of the Trust and 20% of the income from the project. There is no entitlement to further units beyond 20%.

Report by the Responsible Entity on the Operations of the Trust

The principal activity of the Cowra Crossing Property Trust for the year ended 30 June 2003 was the ownership of the Cowra Crossing Property. The property continues to be held to earn income for the term of the Trust being 12 years from 30 June 1996.

The Trust has no borrowings.

The Trustee continues to lease the property to Vineyard Management Pty Limited at an annual rent of \$600.00 per net plantable hectare or 3.75% of the value of the previous years crop. Vineyard Management Pty Limited is a company associated with the Manager. Vineyard Management Pty Limited leases the property to growers for the same annual fee.

Principal Activity

The principal activity of the Trust is to own and lease the vineyard to Growers associated with unit holders.

No significant change in the nature of these activities occurred during the year.

Distribution

No distributions were paid to growers during the period and no recommendation is made as to distributions.

Significant Changes in the State of the Affairs

There was no significant change in the state of the Trust's affairs during the year.

Matters Subsequent to the End of the Period

At the date of this report there is no other matter or circumstance which has arisen since 30 June 2003 that has significantly affected or may significantly affect:

- a) the operations, in financial years subsequent to 30 June 2003, of the economic entity constituted by the Cowra Crossing Property Trust;
- b) the results of those operations; or
- c) the state of affairs, in financial years subsequent to 30 June 2003, of that economic entity.

Likely Developments

There are no developments or changes to the current position and arrangements for running the vineyard. The financial result anticipated for 2004 should be similar to the 2003 result.

Environmental Regulation

The project's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory of Australia.

Options

No options over unissued interests in the project were granted during or since the end of the year and there were no options outstanding at the date of this report.

Interests Issued

In accordance with the Project Prospectus and the Constitution of the Trust, Blaxland Vineyards Limited was issued 31,720 units, representing 27 growers interests, during the year. There were 75 interests held by the responsible entity or its associates at the end of the financial year. There were no withdrawals from the scheme during the year.

Fees Paid to the Responsible Entity

During the financial period, \$14,493 (2002: \$6,844) was paid to Blaxland Vineyards Limited as fees to operate and manage the Trust. The total cost of the running of the Trust for the financial period to 30 June 2003 was met from these funds as set out in the Prospectus.

Indemnification of Officers and Auditors

The Responsible Entity under its Articles of Association agrees to indemnify every director and officer of the Responsible Entity against liability incurred as a director or officer to the extent permitted by the Corporations Law.

The Responsible Entity also agreed to indemnify every director, secretary, auditor and other officer of the Responsible Entity against any liability incurred in defending any legal proceedings.

No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity or intervene in any proceedings to which the Responsible Entity is

a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings.

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

Signed in accordance with a resolution of the Board of Directors of the Responsible Entity.

Ronald Malcolm Collins

Director

Dated: September 2003

Philip James Slee

Director

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

DIRECTORS' DECLARATION

The directors of the Blaxland Vineyards Limited, the Responsible Entity for Cowra Crossing Property Trust, declare that:

1. The financial statements and notes of the Cowra Crossing Property Trust are in accordance with the Corporations Act 2001:
 - (a) comply with Australian Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2003 and performance for the year ended on that date of the Trust;
2. In the directors' opinion there are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.

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

Director
Ronald Malcolm Collins

Director
Philip James Slee

Dated: September 2003

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	Note	2003 \$	2002 \$
Revenues from ordinary activities	2	27,331	31,284
Expenses from ordinary activities	3	(27,331)	(31,284)
Profit from ordinary activities before income tax expense		-	-
Income tax expense relating to ordinary activities	1	-	-
Profit from ordinary activities after income tax expense		-	-
Net profit		-	-

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2003**

	Note	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	4	929	540
Receivables	5	<u>59,671</u>	<u>35,581</u>
TOTAL CURRENT ASSETS		<u>60,600</u>	<u>36,121</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	<u>481,100</u>	<u>481,100</u>
TOTAL NON-CURRENT ASSETS		<u>481,100</u>	<u>481,100</u>
TOTAL ASSETS		<u>541,700</u>	<u>517,221</u>
CURRENT LIABILITIES			
Payables	7	<u>54,743</u>	<u>30,581</u>
TOTAL CURRENT LIABILITIES		<u>54,743</u>	<u>30,581</u>
TOTAL LIABILITIES		<u>54,473</u>	<u>30,581</u>
NET ASSETS		<u>486,957</u>	<u>486,640</u>
EQUITY			
Contributed equity	8	<u>486,957</u>	<u>486,640</u>

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2003**

	2003	2002
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Rental income	27,331	31,284
Payment to suppliers	<u>(27,331)</u>	<u>(31,284)</u>
Net cash provided by (used in) operating activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	72	-
Unit subscription	<u>317</u>	<u>540</u>
Net cash provided by financing activities	<u>389</u>	<u>540</u>
Net increase (decrease) in cash held	389	-
Cash at Beginning of Financial Year	<u>540</u>	<u>-</u>
Cash at end of year	<u>929</u>	<u>540</u>

NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	<u>929</u>	<u>540</u>
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Reconciliation of cash flows from operations with profit from ordinary activities after income tax

Changes in assets and liabilities		
(Increase)/Decrease in receivables	(24,090)	5,936
Increase/(Decrease) in payables	<u>24,090</u>	<u>(5,936)</u>
Cash flows from operations	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003**

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets.

Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report.

Income Tax

Under current income tax legislation, the Trust is not liable to income tax provided its taxable income is fully distributed to unitholders.

Real Property

Any real property purchased by the Trust is brought to account at cost. All real property at the Trust must be valued at intervals of not less than three years and the Trustee may arrange to have any real property valued at any time if it or the manager considers it is in the interests of the unitholders. Any real property must be re-valued in the accounts of the Trust in accordance with any valuation undertaken unless the Trustee believes the valuation should not be adopted. A revaluation of the property will take place prior to 31 December 2003 and will be available to unitholders.

Cash

For the purpose of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net bank overdrafts.

Revenue

Rental income is brought to account on an accruals basis

Accounts Payable

These amounts represent liabilities for services provided to the economic entity prior to the end of the period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$	\$
2. REVENUE		
Operating activities		
- rent	27,331	31,284
Total revenue	<u>27,331</u>	<u>31,284</u>
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
Expenses:		
Trustee's fees	-	13,125
Remuneration of auditor - audit or review	<u>5,125</u>	<u>3,600</u>
4. CASH ASSETS		
Cash in Trust bank account	<u>929</u>	<u>540</u>
5. RECEIVABLES		
Current		
Trade Debtors	37,050	-
Blaxland Vineyards Limited	22,621	-
Vineyard Management Pty Ltd	-	35,581
	<u>59,671</u>	<u>35,581</u>
6. PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	<u>481,100</u>	<u>481,100</u>
Total property, plant and equipment	<u>481,100</u>	<u>481,100</u>
7. PAYABLES		
Current		
Other creditors	17,693	3,250
Income in advance	<u>37,050</u>	<u>27,331</u>
	<u>54,743</u>	<u>30,581</u>
8. CONTRIBUTED EQUITY		
Fully paid units of the Trust	<u>486,957</u>	<u>486,640</u>

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003**

9. RELATED PARTY TRANSACTIONS

1. The Trust has leased the Cowra Crossing property for 12 years to Vineyard Management Pty Ltd, a company related to the Manager of the Trust.
2. The Responsible Entity holds 96,620 (2002 64,900) units in the Trust.

10. SEGMENT REPORTING

The Trust operates in the viticultural industry of Australia.

11. FINANCIAL INSTRUMENTS

Interest Rate Risk

The Trust's exposure to interest rate risk, which is the risk that a financial instrument value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities, is as follows

	Weighted Average Effective Interest Rate		Floating Interest Rate	
	2003	2002	2003	2002
	%	%	\$	\$
Financial Assets				
Cash at bank	-	-	929	540

Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at 30 June 2003 to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to and forming part of the financial statements.

The Trust does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the company.

Net Fair Values

The net fair value of assets and liabilities approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Trust intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003**

12. THE TRUST

The Cowra Crossing Vineyard Project and Property Trust (ARSN 099 233 271) is a Managed Investment Scheme for which the responsible entity is Blaxland Vineyards Limited.

The constitution of the above Trust replaces The Cowra Crossing Property Trust Deed which was constituted under a Trust Deed dated 6 May 1996. The Trust has a fixed term of 12 years from the original date.

13. THE CUSTODIAN

The Custodian is Blaxland Vineyards Limited (ABN 61 067 514 792) of 493 High Street, Maitland, NSW, 2320.

**INDEPENDENT AUDIT REPORT
TO THE TRUSTEES OF
COWRA CROSSING PROPERTY TRUST**

We have audited the financial statements, being the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and Notes to and forming part of the Financial Statements of Cowra Crossing Property Trust for the year ended 30 June 2003. The directors of the Responsible Entity are responsible for the financial statements. We have conducted an independent audit of these financial statements in order to express an opinion on them to the Responsible Entity.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements and statutory requirements so as to present a view which is consistent with our understanding of the project's financial position, the results of its operations and cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In our opinion, the financial report of Cowra Crossing Property Trust is in accordance with:

- a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the trust's financial position as at 30 June 2003 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b) Other mandatory professional reporting requirements in Australia

**WIDINS
Chartered Accountants**

**R E Mayberry
Partner**

Sydney:

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2003**

	2003	2002
	\$	\$
REVENUES FROM ORDINARY		
ACTIVITIES		
Rent	27,331	31,284
	<u>27,331</u>	<u>31,284</u>
 EXPENDITURE FROM ORDINARY		
ACTIVITIES		
Accountancy fees	1,575	2,400
Bank fees	28	
Compliance Committee Fees	4,067	4,250
Consultants fees	-	-
Auditor's remuneration	4,050	2,700
Management fees	14,493	6,844
Trustee's fees	-	13,125
Rates	3,118	1,965
	<u>27,331</u>	<u>31,284</u>
 PROFIT ON ORDINARY ACTIVITIES		
BEFORE INCOME TAX		
	<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.
This report is to be read in conjunction with compilation report.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

DIRECTORY

Manager

Blaxland Vineyards Limited

Registered Office:
493 High Street
Maitland, NSW, 2320
Phone: (02) 4934 7622

Directors of the Manager

Ronald Malcolm Collins
Philip James Slee
Robert John Gibson

Independent Accountants and Auditors of the Project

Widins
Level 17,
15 Castlereagh Street
Sydney NSW 2000