

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

**Report on the Project at  
30 June 2006**

**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 - PROJECT**

Blaxland Vineyards Limited (the Responsible Entity) submits the Financial Statements of the Project for the year ended 30 June 2006. 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 unless otherwise stated.

Neil R. MacKenzie (Chairman)  
Ronald M. Collins  
Philip J. Slee  
Robert J. Gibson (resigned 6 June 2006)

### **Financial Highlights**

The Project continued its operation under the new fixed arrangement with McGuigan Simeon Wines Limited for the year ended 30 June 2006. 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 \$1,048,473 (2005: \$1,027,915). Profit available for distribution after payment of costs for 2006 came to \$302,549 (2005: \$351,647).

### **Review of Operations**

The vineyard had another productive year, with a crop of 1210 tonnes. Reports are carried out by independent viticultural experts and these are referred to McGuigan Simeon Wines Limited for action where necessary.

### **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**

The distribution payable in relation to the 2006 crop amounted to \$287,546 (2005: \$281,909). These funds were paid to growers in July 2006. The distribution is marginally up on last year in keeping with the escalation clause in the Grape Sale Arrangement.

### **Significant Changes in the State of the Affairs**

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

### **Australian Equivalents to International Financial Reporting Standards (IFRS)**

This report has been prepared under Australian equivalents to IFRS. There are no differences between the Australian equivalents to IFRS and previous GAAP, which applied to 30 June 2005.

# **COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST**

## **RESPONSIBLE ENTITY'S REPORT – PROJECT**

### **After Balance Date Events**

At the date of this report there is no other matter of circumstance which has arisen since 30 June 2006 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 2007 should be similar to the 2006 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. There were 360 growers interests in the Project at the end of the financial year.

### **Fees Paid to the Responsible Entity**

During the financial year \$746,006 (2005: \$676,134) was paid to Blaxland Vineyards Limited as fees to manage the vineyard and operate the Project. The total cost of the Project for the financial period to 30 June 2006 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.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**RESPONSIBLE ENTITY'S REPORT – PROJECT**

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 2006

PRITCHARD ADAMS

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CHARTERED ACCOUNTANTS

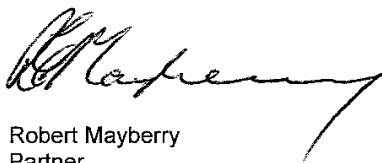
**COWRA CROSSING VINEYARD PROJECT**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF THE RESPONSIBLE ENTITY**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2006, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Pritchard Adams**  
Chartered Accountants



Robert Mayberry  
Partner

25 September 2006

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PARTNERS: REX F X HOEBEN, RUSSELL J REID, MARK P PURTILL, RICHARD A HUGHES, ROBERT E MAYBERRY.  
CONSULTANT: PAUL A JOHNSTONE.

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**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**DIRECTORS' DECLARATION - PROJECT**

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 2006 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 2006

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**INCOME STATEMENT - PROJECT  
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Revenues from ordinary activities	2	1,048,868	1,027,915
Expenses from ordinary activities	3	746,319	676,268
<b>Profit from ordinary activities before income tax expense</b>		302,549	351,647
Income tax expense relating to ordinary activities	1	-	-
<b>Profit from ordinary activities after income tax expense</b>		302,549	351,647
Distribution to growers	4	-	(281,909)
<b>Increase/(Decrease) in equity</b>		302,549	69,738

The accompanying notes form part of these financial statements.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**BALANCE SHEET - PROJECT  
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash assets		5,802	2,312
Receivables	5	287,545	-
Other	6	760,928	746,006
<b>TOTAL CURRENT ASSETS</b>		<b>1,054,275</b>	<b>748,318</b>
<b>TOTAL ASSETS</b>		<b>1,054,275</b>	<b>748,318</b>
<b>CURRENT LIABILITIES</b>			
Payables	7	6,460	3,052
<b>TOTAL CURRENT LIABILITIES</b>		<b>6,460</b>	<b>3,052</b>
<b>TOTAL LIABILITIES</b>		<b>6,460</b>	<b>3,052</b>
<b>NET ASSETS</b>		<b>1,047,815</b>	<b>745,266</b>
<b>EQUITY</b>			
Growers' Equity	4	<b>1,047,815</b>	<b>745,266</b>

The balance sheet should be read in conjunction with the accompanying notes.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**CASH FLOW STATEMENT - PROJECT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006	2005
Note	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	760,928	2,035,675
Payment to suppliers	(757,833)	(1,422,623)
Interest received	395	-
<b>Net cash provided by (used in) operating activities</b>	<b>3,490</b>	<b>613,052</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Payments to investors	-	(613,534)
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>(613,534)</b>
Net (decrease) increase in cash held	3,490	(482)
Cash at Beginning of Financial Year	2,312	2,794
<b>Cash at end of year</b>	<b>5,802</b>	<b>2,312</b>

**NOTES TO THE CASH FLOW STATEMENT**

**Reconciliation of Cash**

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at bank	5,802	2,312
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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	302,549	351,647
(Increase)/decrease in current receivables	(287,545)	1,007,760
(Increase)/decrease in current prepayments	(14,922)	(107,662)
Increase/(decrease) in current payables	3,408	(638,693)
<b>Cash flows from operations</b>	<b>3,490</b>	<b>613,052</b>

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 - PROJECT**

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### **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.

This is the first financial report prepared under Australian equivalents to IFRS. The accounting policies applied are consistent with those applied in the June 2005 annual report even though that report was presented under previous Australian Generally Accepted Accounting Principles (GAAP).

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.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS -  
PROJECT**

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**(e) Non-current investments (contd)**

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.

**(g) Australian Equivalents to International Financial Reporting Standards**

This report has been prepared under Australian equivalents to IFRS. There are no differences between the Australian equivalents to IFRS and previous GAAP, which applied to 30 June 2005.

	<b>2006</b>	<b>2005</b>
	\$	\$
<b>2. REVENUE</b>		
<b>Operating activities</b>		
- grape sales	1,048,473	1,027,915
- interest income	395	-
<b>Total Revenue</b>	1,048,868	1,027,915
 <b>3. PROFIT FROM ORDINARY ACTIVITIES</b>		
<b>Profit from ordinary activities before   income tax has been determined after:</b>		
Vineyard Maintenance Fee	746,006	676,134
Other	313	134
	746,319	676,268

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS -  
PROJECT**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>4. GROWERS' EQUITY</b>		
Opening Balance	745,266	675,528
Net Profit available to Growers	302,549	351,647
Distribution to Growers	-	(281,909)
Closing Balance	1,047,815	745,266
<b>5. RECEIVABLES</b>		
<b>Current</b>		
Trade debtors	287,545	-
<b>6. OTHER CURRENT ASSETS</b>		
Prepaid Vineyard Maintenance Fees	717,678	703,605
Prepaid Licence Fees	43,250	42,402
	760,928	746,007
<b>7. PAYABLES</b>		
<b>Current</b>		
Sundry creditors	6,460	3,052
	6,460	3,052

**8. RELATED PARTY TRANSACTIONS**

(a) Key Management Personnel

Key management personnel in office during the financial year:

<b>Name</b>	<b>Position</b>
Ron Collins	Director
Philip Slee	Director

No compensation was paid to key management personnel during the year.

(b) Transactions with Related Entities

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(i) Cowra Crossing Vineyard Project is a "Managed Investment Scheme" for which the "Responsible Entity" is Blaxland Vineyards Limited (ABN: 61 067 514 792) of 493 High Street, Maitland, NSW.2320.

Fees retained by Blaxland Vineyards Limited after payment of vineyard maintenance costs during the year were \$171,303 (\$2005: \$163,921).

# COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

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### 9. SEGMENT REPORTING

The Project operates in the viticultural industry of Australia.

### 10. 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	
	2006 %	2005 %	2006 \$	2005 \$
<b>Financial Assets</b>				
Cash	-	-	5,802	2,312

#### Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at 30 June 2006 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.

### 11. THE PROJECT AND PROPERTY TRUST

The Cowra Crossing Vineyard Project and Property Trust (ARSN 099 233 271) located at 1697 North Logan Road Billimari NSW 2804 is a Managed Investment Scheme for the which the Responsible Entity is Blaxland Vineyards Limited (ABN 61 067 514 792) who's registered address and who's address for administration purposes is 493 High Street Maitland NSW 2320.

**INDEPENDENT AUDIT REPORT  
TO THE RESPONSIBLE ENTITY OF  
COWRA CROSSING VINEYARD PROJECT**

**Scope**

We have audited the financial statements, being the Income Statement, Balance Sheet, Cash Flow Statement and Notes to and forming part of the Financial Statements of Cowra Crossing Vineyard Project for the year ended 30 June 2006. 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 in Australia 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.

**Independence**

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 5 of the financial report, has not changed at the date of providing our audit opinion.

**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 2006 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.



**PRITCHARD ADAMS**  
Chartered Accountants  
Sydney: 25 September 2006



**R E Mayberry**  
Partner

# **COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST**

## **RESPONSIBLE ENTITY'S REPORT – PROPERTY TRUST**

Blaxland Vineyards Limited (the Responsible Entity) submits the Financial Statements of the Trust for the year ended 30 June 2006. 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 unless otherwise stated.

Neil R. MacKenzie (Chairman)  
Ronald M. Collins  
Philip J. Slee  
Robert J. Gibson (resigned 6 June 2006)

### **Financial Highlights**

The Trust recorded a distributable profit of \$28,703 (2005: profit \$27,593) for the year.

### **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 2006 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 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**

Distributions totalling \$28,703 were credited to unitholders in June 2006 from profits earned in 2006. Unitholders were credited with approximately \$0.472 per unit held. At June 2006, \$28,703 was declared as distributions payable.

### **Australian Equivalents to International Financial Reporting Standards (IFRS)**

This report has been prepared under Australian equivalents to IFRS. There are no differences between the Australian equivalents to IFRS and previous GAAP, which applied to 30 June 2005.

# **COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST**

## **RESPONSIBLE ENTITY'S REPORT – PROPERTY TRUST**

### **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 2006 that has significantly affected or may significantly affect:

- a) the operations, in financial years subsequent to 30 June 2006, 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 2006, 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 2007 should be similar to the 2006 result.

### **Environmental Regulation**

The Trust'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 Trust were granted during or since the end of the year and there were no options outstanding at the date of this report.

### **Interests Issued**

There were no units issued in the Trust during the financial year. There were 132,300 units 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. At the 30 June 2006 there were 607,500 units issued in the Trust.

### **Fees Paid to the Responsible Entity**

No fees were paid to Blaxland Vineyards Limited as fees to operate and manage the Trust during the year.

### **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.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**RESPONSIBLE ENTITY'S REPORT – PROPERTY TRUST**

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 M. Collins**  
**Director**

**Philip J. Slee**  
**Director**

Dated: September 2006

PRITCHARD ADAMS

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CHARTERED ACCOUNTANTS

**COWRA CROSSING PROPERTY TRUST**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF THE RESPONSIBLE ENTITY**

I declare that to the best of my knowledge and belief, during the year ended 30 June 2006, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

**Pritchard Adams**  
Chartered Accountants



Robert Mayberry  
Partner

25 September 2006

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**DIRECTORS' DECLARATION – PROPERTY TRUST**

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 2006 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 M. Collins

**Director** .....  
Philip J. Slee

Dated: September 2006

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**INCOME STATEMENT – PROPERTY TRUST  
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
Revenues from ordinary activities	2	39,255	38,272
Expenses from ordinary activities	3	10,552	10,679
<b>Profit from ordinary activities before income tax expense</b>		28,703	27,593
Income tax expense relating to ordinary activities	1	-	-
<b>Profit from ordinary activities after income tax expense</b>		28,703	27,593
Distribution to members		(28,703)	(27,593)
<b>Increase/Decrease in equity</b>		-	-

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**BALANCE SHEET – PROPERTY TRUST  
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash assets	4	37,960	8,765
Receivables	5	408	426
Other	6	-	325
<b>TOTAL CURRENT ASSETS</b>		<u>38,368</u>	<u>9,516</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	494,320	494,320
<b>TOTAL NON-CURRENT ASSETS</b>		<u>494,320</u>	<u>494,320</u>
<b>TOTAL ASSETS</b>		<u>532,688</u>	<u>503,836</u>
<b>CURRENT LIABILITIES</b>			
Payables	8	32,154	3,302
<b>TOTAL CURRENT LIABILITIES</b>		<u>32,154</u>	<u>3,302</u>
<b>TOTAL LIABILITIES</b>		<u>32,154</u>	<u>3,301</u>
<b>NET ASSETS</b>		<u>500,534</u>	<u>500,534</u>
<b>EQUITY</b>			
Contributed equity	9	487,314	487,314
Reserves	10	13,220	13,220
Retained Profits		-	-
<b>TOTAL EQUITY</b>		<u>500,534</u>	<u>500,534</u>

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**CASH FLOW STATEMENT – PROPERTY TRUST  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	38,547	37,791
Payment to suppliers	(10,060)	(12,040)
Interest received	708	481
<b>Net cash provided by (used in) operating activities</b>	<b>29,195</b>	<b>26,232</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from repayment of loans to related entities	-	370
Distributions to members	-	(67,554)
<b>Net cash provided by (used in) financing activities</b>	<b>-</b>	<b>(67,184)</b>
Net increase (decrease) in cash held	29,195	(40,952)
Cash at Beginning of Financial Year	8,765	49,717
<b>Cash at end of year</b>	<b>37,960</b>	<b>8,765</b>

**NOTES TO THE CASH FLOW STATEMENT**

**Reconciliation of Cash**

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:

Cash at Bank	37,960	8,765
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**Reconciliation of cash flows from operations with profit from ordinary activities after income tax**

Profit/(loss) from ordinary activities after income tax	28,703	27,593
Changes in assets and liabilities		
(Increase)/Decrease in receivables	18	(426)
(Increase)/Decrease in other current assets	325	(325)
Increase/(Decrease) in payables	149	(610)
<b>Cash flows from operations</b>	<b>29,195</b>	<b>26,232</b>

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 – PROPERTY TRUST

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### 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.

This is the first financial report prepared under Australian equivalents to IFRS. The accounting policies applied are consistent with those applied in the June 2005 annual report even though that report was presented under previous Australian Generally Accepted Accounting Principles (GAAP).

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 valued at fair value. 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.

#### **Cash**

For the purpose of the statement of cash flows, cash includes cash on hand and in 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.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS –  
PROPERTY TRUST**

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**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.

**Adoption of Australian Equivalents to International Financial Reporting Standards**

This report has been prepared under Australian equivalents to IFRS. There are no differences between the Australian equivalents to IFRS and previous GAAP, which applied to 30 June 2005.

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>2. REVENUE</b>		
<b>Operating activities</b>		
- rent	38,547	37,791
- interest	708	481
<b>Total revenue</b>	39,255	38,272
<b>3. PROFIT FROM ORDINARY ACTIVITIES</b>		
<b>Profit from ordinary activities before income tax has been determined after:</b>		
<b>Expenses:</b>		
Remuneration of auditor		
- audit or review	6,700	5,900
<b>4. CASH ASSETS</b>		
Cash in Trust bank account	37,960	8,765

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS -  
PROPERTY TRUST**

	2006 \$	2005 \$
<b>5. RECEIVABLES</b>		
<b>Current</b>		
GST receivable	408	426
	408	426
<b>6. OTHER CURRENT ASSETS</b>		
Prepayments	-	325
	-	325
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land – at fair value	494,320	494,320
<b>Total property, plant and equipment</b>	494,320	494,320
<p>The vineyard was revalued in November 2003. An independent valuation was performed by Colin Gaetjens Valuer and Auctioneer R.E.I.V. (Aust) A.R.E.I., F.S.A.A. The property inclusive of the land on an unimproved basis and buildings was valued at \$494,320.</p>		
<b>8. PAYABLES</b>		
<b>Current</b>		
Other creditors	3,451	3,302
Distribution payable	28,703	-
	32,154	3,302
<b>9. CONTRIBUTED EQUITY</b>		
<b>Fully paid units of the Trust</b>		
Balance at the beginning of the year	487,314	487,314
Balance at end of financial year	487,314	487,314
Current year profit	-	-
	487,314	487,314
<b>10. RESERVES</b>		
Opening balance	13,220	13,220
Closing balance	13,220	13,220

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS -  
PROPERTY TRUST**

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**11. RELATED PARTY TRANSACTIONS**

(a) Key Management Personnel

Key management personnel in office during the financial year:

Name	Position
Ron Collins	Director
Philip Slee	Director

No compensation was paid to key management personnel during the year.

(b) Transactions with Related Entities

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(i) Cowra Crossing Property Trust is a “Managed Investment Scheme” for which the “Responsible Entity” is Blaxland Vineyards Limited (ABN: 61 067 514 792) of 493 High Street, Maitland, NSW.2320.

Fees retained by Blaxland Vineyards Limited during the year were \$NIL (\$2005: \$NIL).

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.

The Responsible Entity holds 132,300 (2005: 132,300) units in the Trust.

**12. SEGMENT REPORTING**

The Trust operates in the viticultural industry of Australia.

**13. 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		Floating Interest Rate	
	Effective Interest Rate			
	2006	2005	2006	2005
	%	%	\$	\$
<b>Financial Assets</b>				
Cash at bank	1.6%	1.6%	37,960	8,765

**Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at 30 June 2006 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.

## **COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROPERTY TRUST**

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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.

#### **14. THE PROJECT AND PROPERTY TRUST**

The Cowra Crossing Vineyard Project and Property Trust (ARSN 099 233 271) located at 1697 North Logan Road Billimari NSW 2804 is a Managed Investment Scheme for the which the Responsible Entity is Blaxland Vineyards Limited (ABN 61 067 514 792) who's registered address and who's address for administration purposes is 493 High Street Maitland NSW 2320.

**INDEPENDENT AUDIT REPORT  
TO THE RESPONSIBLE ENTITY OF  
COWRA CROSSING PROPERTY TRUST**

**Scope**

We have audited the financial statements, being the Income Statement, Balance Sheet, Cash Flow Statement and Notes to and forming part of the Financial Statements of Cowra Crossing Property Trust for the year ended 30 June 2006. 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 in Australia and statutory requirements so as to present a view which is consistent with our understanding of the trust'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.

**Independence**

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 18 of the financial report, has not changed at the date of providing our audit opinion.

**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 2006 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.



**PRITCHARD ADAMS**  
Chartered Accountants  
Sydney: 25 September 2006



**R E Mayberry**  
Partner

# **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**

Neil R. MacKenzie  
Ronald M. Collins  
Philip J. Slee

### **Independent Accountants and Auditors of the Project**

Pritchard Adams  
Level 9,  
10 Barrack Street  
Sydney NSW 2000

### **Project Location**

1697 North Logan Road  
BILLIMARI NSW 2804

### **Project Administration**

Blaxland Vineyards Limited  
PO Box 737  
MAITLAND NSW 2320