

**COWRA CROSSING
VINEYARD PROPERTY TRUST
AND PROJECT**

ARSN 099 233 271

Report for the half-year
ended 31 December 2003

Managed by
Blaxland Vineyards Limited
ABN 61 067 514 792

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

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COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2003 - PROJECT

Chairman's Report

11 March 2004

The Cowra Crossing Vineyard is about to harvest its fifth vintage, the second under the new arrangements with the Vineyard Manager and Grape Purchaser, McGuigan Simeon Wines Limited.

Under the new arrangements, the total vineyard running costs for 2004 was limited to \$581,595, which was prepaid in June last year. The vineyard manager's fee will increase by 2% each year to the end of the project.

This year we will receive \$1,007,760 for the crop which appears to be in good condition and is estimated to be around 750 tonnes. Our new arrangement has protected growers from the current collapse of grape sale prices (although Chardonnay prices have maintained their value) and gives investors a return of around \$2,800 per acre or, expressed in terms of Cowra Crossing Grower Units, around \$1,180 per interest. This represents a 4% increase on last year, which should be repeated each year until the end of the initial project in June 2008.

Blaxland investors still have another 4 vintages to take advantage of the McGuigan Simeon guaranteed return. From 2009 we will be managing the vineyard ourselves and present indications are that the net result (income less expenses) in 2009 should be similar to the present returns. However, we may recommend some frost protection on the property and will look at this issue over the next few years. As a comparison, frost protection on our St Magnus vineyard cost around \$8,000 per hectare or \$1,350 per Cowra Grower Unit, or around a year's income. It may prove to be a worthwhile investment in infrastructure.

A field day was held on the vineyard on Saturday 29 November 2003 and was enjoyed by all who attended. The next field day will be held in April 2005.

Attached is an order sheet for the sangiovese harvested in both 2001 and 2002. We have approximately 150 cases available and look forward to your orders. It is an Italian variety that is growing in prominence in Australia and is the main grape variety of Tuscan wine. The wine makes an excellent summer drink.

R.M. Collins

Chairman

Blaxland Vineyards Limited

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2003 - PROJECT

The directors of the Responsible Entity submit the financial statements of the project for the half-year ended 31 December 2003.

Directors

The names of the directors of the Responsible Entity who held office during or since the end of the half-year are:

Ronald Malcolm Collins
Philip James Slee
Robert John Gibson

Review of Operations

Vineyard maintenance continues to be undertaken by McGuigan Simeon Wines Limited and for the six months ended 31 December 2003, maintenance and administration (including licence fees) are being carried out from funds paid prior to 30 June 2003 by growers for vineyard management for the 2003/2004 year. Income for the period has been brought to account based upon 50% of the agreed total amount (\$1,007,760) for the 2003/04 year, as set out in the new arrangements with McGuigan Simeon Wines Limited. This resulted in an operating profit to 31 December 2003 of \$213,030 (2002: \$142,336).

Principal Activities

The project operates a 60 hectare vineyard at Cowra Crossing, near Cowra, New South Wales.

No significant change in the nature of this activity occurred during the six month period.

Distributions Paid

During the period under review there were no distributions made to growers.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the project during the period.

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2003 - PROJECT

Matters Subsequent to the End of the Financial Period

At the date of this report there is no other matter or circumstance which has arisen since 31 December 2003 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2003, of the economic entity constituted by the Cowra Crossing Vineyard Project;
- the result of those operations; or

the state of affairs, in financial years subsequent to 31 December 2003, of that economic entity.

Future 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 Regulations

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

During the period no further interests were issued in the project. There were no withdrawals from the project. At the 31 December 2003 there were 360 growers' interests in the project. There were eight interests held by the Responsible Entity or its associates at the end of the financial year.

Fees Paid to the Responsible Entity

No fees were paid to Blaxland Vineyards Limited during the period under review (2002:\$585,886). All fees to maintain the vineyard and manage the project were prepaid in June 2003. The total cost of the Project to 30 June 2004 will be met from these funds as set out in the Prospectus for the Project dated, 1996.

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2003 - PROJECT

Value of Project Property

The project owns no assets. The Responsible Entity holds on trust for the growers individually, their respective interests in the trellis, irrigation system, and vines.

Buy Back Statement

Under the Constitution governing the Project there is no obligation on the Manager to purchase or redeem any Vineyard Allotments except where the Cowra Crossing Vineyard Project is continued after the initial term of 12 years and growers who voted against the continuation of the Project, request that their vineyard allotments be repurchased.

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 Malcolm Collins
Director

Philip James Slee
Director

Date: 11 March 2004

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

STATEMENT OF FINANCIAL PERFORMANCE - PROJECT FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Note	31 Dec 2003 \$	31 Dec 2002 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	503,880	487,500
Expenses from ordinary activities	3	(290,850)	(345,164)
Profit (loss) from ordinary activities before income tax expense		<u>213,030</u>	<u>142,336</u>
Income tax expense relating to ordinary activities	1	<u>-</u>	<u>-</u>
Profit (loss) from ordinary activities after income tax expense		213,030	142,336
Distribution to growers	4	-	(159,059)
Increase/(Decrease) in equity		<u>213,030</u>	<u>(16,723)</u>

The accompanying notes form part of these financial statements.

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

STATEMENT OF FINANCIAL POSITION - PROJECT FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Note	31 Dec 2003 \$	30 Jun 2003 \$
CURRENT ASSETS			
Cash assets		(197)	69,902
Receivables	5	503,880	-
Other	6	290,944	581,658
TOTAL CURRENT ASSETS		<u>794,627</u>	<u>651,560</u>
TOTAL ASSETS		<u>794,627</u>	<u>651,560</u>
CURRENT LIABILITIES			
Payables	7	-	69,963
TOTAL CURRENT LIABILITIES		<u>-</u>	<u>69,963</u>
TOTAL LIABILITIES		<u>-</u>	<u>69,963</u>
NET ASSETS		<u>794,627</u>	<u>581,597</u>
EQUITY			
Contributed Equity	4	<u>794,627</u>	<u>581,597</u>

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

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

STATEMENT OF CASH FLOWS - PROJECT FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	31 Dec 2003 \$	31 Dec 2002 \$
CASH FLOW FROM OPERATING ACTIVITIES	Note	
Receipts from customers	-	334,894
Payments to investors	-	(159,059)
Payment to suppliers	(70,099)	(141,332)
Net cash provided by (used in) operating activities	(70,099)	34,503
CASH FLOW FROM INVESTING ACTIVITIES		
Loan from related party	-	145,000
Repay Loan from related party	-	(195,661)
Net cash provided by (used in) investing activities	-	(50,661)
Net increase (decrease) in cash held	(70,099)	(16,158)
Cash at beginning of period	69,902	19,930
Cash at end of period	(197)	3,772

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	(197)	3,772
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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	213,030	142,336
(Increase)/decrease in current receivables	(503,880)	(152,606)
(Increase)/decrease in current prepayments	290,798	203,879
Increase/(decrease) in related party loans	(84)	(47)
Decrease in trade creditors	(69,963)	-
Profit distributed to Growers	-	(159,059)
Cash flows from operations	(70,099)	34,503

The accompanying notes form part of these financial statements

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The general purpose half-year financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB1029: Interim Financial Reporting, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Project Constitution. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2003 and any public announcements made by Cowra Crossing Vineyard Project during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The accounting policies have been consistently applied by the project and are consistent with those of the previous financial year and corresponding half-year. 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.

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

(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.

	31 Dec 2003	31 Dec 2002
	\$	\$
2. REVENUE		
Operating activities		
- 50% of agreed grape sales for 2003/04 year	503,880	487,500
Total Revenue	503,880	487,500
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
50% of Management Fee for 2003/04 year prepaid at 30/06/03	290,798	345,164
Bank charges	52	-
	290,850	345,164
	31 Dec 2003	30 Jun 2003
	\$	\$
4. GROWERS EQUITY		
Opening Balance	581,597	745,162
Net Profit available to Growers	213,030	401,898
Distribution to Growers	-	(565,463)
Closing Balance	794,627	581,597

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

	31 Dec 2003 \$	30 Jun 2003 \$
5. RECEIVABLES		
Current		
McGuigan Simeon Wines Limited		
50% of agreed grape sales for 2003/04 year	503,880	-
	<hr/>	<hr/>
6. OTHER CURRENT ASSETS		
Prepaid Vineyard Management Fees	272,273	544,545
Prepaid Licence fees	18,525	37,050
Loan to Blaxland Vineyards	146	63
	<hr/>	<hr/>
	290,944	581,658
	<hr/>	<hr/>
7. PAYABLES		
Current		
Blaxland Vineyards Limited	-	69,963
	<hr/>	<hr/>

8. SEGMENT REPORTING

The project operates in the viticultural industry of Australia.

9. 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.

10. THE RESPONSIBLE ENTITY

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

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

MANAGER'S DECLARATION - PROJECT

The directors of the manager of Cowra Crossing Vineyard Project declare that:

1. The financial statements and notes as set out:
 - a) comply with Accounting Standard AASB1029: Interim Financial Reporting and the Corporations Regulations; and
 - b) give a true and fair view of the trust's financial position as at 31 December 2003 and its performance for the half-year ended on that date.
2. In the managers' 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 directors of the Responsible Entity, Blaxland Vineyards Limited:

Ronald Malcolm Collins
Director

Philip James Slee
Director

Dated: 11 March 2004

COWRA CROSSING VINEYARD PROJECT

INDEPENDENT REVIEW REPORT TO THE GROWERS OF COWRA CROSSING VINEYARD PROJECT

Scope

We have reviewed the financial statements, being the Profit and Loss Account, Balance Sheet, Statement of Cash Flows and Notes to and Forming Part of the Financial Statements of Cowra Crossing Vineyard Project for the half-year ended 31 December 2003. The directors of the trustee company are responsible for the financial statements. We have conducted an independent review of these financial statements in order to express an opinion on them to the Trustees, so as to enable the disclosing entity to lodge the financial report with the Australian Securities and Investment Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to enquiries of the Responsible Entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cowra Crossing Vineyard Project is not in accordance with :

- (a) the Corporations Act 2001, including :
 - i. giving a true and fair view of the Project's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - ii. complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporation Regulations; and
- (b) other mandatory professional reporting requirements.

WIDINS
Chartered Accountants
Sydney

R E MAYBERRY
Partner
Date : 28 February, 2004

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2003 – PROPERTY TRUST

Chairman's Report

11 March 2004

During the period under review the property was maintained in good order by the Vineyard Manager, McGuigan Simeon Wines Limited. Regular reports from a vineyard consultant in the Cowra district are received to ensure regular maintenance is carried out on all aspects of the property. The property has 60 hectares of vines together with the vineyard managers' house, sheds and irrigation as required to run the vineyard. The trust also owns a 438 megalitre Lachlan River irrigation licence, together with a bore licence with an allocation of 550 megalitres. The vineyard draws all of its water requirements from the bore, which is substantially in excess of the vineyard's requirements of 240 megalitres per annum.

In December 2003, the property was again valued by Colin Gaetjens Pty Ltd, valuers specialising in wine related assets. The vineyard, including house and water licences, was valued at \$3,700,000. This valuation is substantially the same as the previous valuation carried out in January 2001. A copy of the valuation is enclosed for your records. This will be particularly important if your Superannuation fund holds units in the Trust.

The valuation gives a value of \$8,222 per parcel of units at this stage, based on a total of 450 parcels (each parcel consists of 1350 units). A total of 450 parcels of units will have been issued by 30 June this year when Blaxland takes up all of its allocation under the terms of the prospectus.

At 30 June last year, 31,720 units were issued to Blaxland Vineyards Limited for \$317.20 in accordance with the Constitution and Prospectus. The total units on issue have now been increased to 571,820. The final issue to Blaxland in June this year will be for 35,680 units. At that point Blaxland will hold 20% of the units in the Trust.

R.M. Collins

Chairman

Blaxland Vineyards Limited

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2003 – PROPERTY TRUST

The directors of the Responsible Entity submit the financial report of the operations of the Trust for the half-year ended 31 December 2003.

Directors

The names of the directors of the Responsible Entity who held office during or since the end of the half-year are:

Ronald Malcolm Collins
Philip James Slee
Robert John Gibson

Review of Operations

The property has been well maintained by our manager, McGuigan Simeon Wines Limited who continue to maintain and make improvements to the house and sheds at their own expense.

The Trustee has entered into a lease of the property with Vineyard Management Pty Ltd to lease the property for 12 years ending 30 June 2008 at an annual rent of \$100 per parcel of units or 3.75% of the gross proceeds from the prior year vintage. Rent for the financial year ending 30 June 2004 was prepaid in June 2003 by Vineyard Management Pty Ltd to the Trust. Vineyard Management Pty Ltd is a company associated with the Responsible Entity.

The Trust recorded a profit of \$27,254 for the six months (2002:\$ NIL). At the end of each financial year the manager is required to pay from its own funds any shortfall between the income of the Trust and its expenses should a shortfall arise. The manager has no right of reimbursement from the Trust in the following years in respect of these payments.

Principal Activity

The Trust owns a vineyard at Cowra Crossing, New South Wales.

No significant change in the nature of this activity occurred during the year.

Distribution

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

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2003 – 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 31 December 2003 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2003, of the economic entity constituted by the Cowra Crossing Property Trust;
- the results of those operations; or

the state of affairs, in financial years subsequent to 31 December 2003, of that economic entity.

Future 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 interests in the trust were issued during the period under review. However, in accordance with the Project Prospectus and the Constitution of the Trust, Blaxland Vineyards Limited will be issued a further 35,680 units by 30 June 2004, bringing its total unit holding to 125,550 (20%) of the 607,500 units which will have then been issued. There were no withdrawals from the scheme during the period.

Buy Back Statement

Under the Trust Constitution governing the Property Trust there is no obligation on the Manager or the Trustee to purchase or redeem any units in the Trust except where the Cowra Crossing Property

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT
REPORT FOR THE HALF-YEAR
ENDED 31 DECEMBER 2003 – PROPERTY TRUST

Trust is continued after the initial term of 12 years and unitholders who voted against the continuation request that their units be repurchased.

Fees Paid to the Responsible Entity

During the financial period, no fee (2002: \$6,844) was paid to Blaxland Vineyards Limited to operate and manage the Trust.

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 Malcolm Collins
Director

Philip James Slee
Director

Dated: 11 March 2004

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT
STATEMENT OF FINANCIAL PERFORMANCE – PROPERTY TRUST
FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	Note	31 Dec 2003 \$	31 Dec 2002 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	18,525	13,665
Expenses from ordinary activities	3	8,729	(13,665)
Profit from ordinary activities before income tax expense		27,254	-
Income tax expense relating to ordinary activities	1	-	-
Profit from ordinary activities after income tax expense		27,254	-
Net profit		27,254	-

The accompanying notes form part of these financial statements

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

STATEMENT OF FINANCIAL POSITION – PROPERTY TRUST AS AT 31 DECEMBER 2003

	Notes	31 Dec 2003 \$	30 Jun 03 2003 \$
Current Assets			
Cash	4	34,835	929
Receivables	5	21,221	59,671
Other financial assets	6	280	-
Total Current Assets		56,336	60,600
Non Current Assets			
Property, plant & equipment	7	481,100	481,100
Total Non-Current Assets		481,100	481,100
Total Assets		537,436	541,700
Current Liabilities			
Payables	8	23,225	54,743
Total Current Liabilities		23,225	54,743
Total Liabilities		23,225	54,743
Net Assets		514,211	486,957
Unitholders' Equity			
Units Issued	9	486,957	486,957
Accumulated profit		27,254	-
Total Unitholders' Equity		514,211	486,957

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

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

STATEMENT OF CASH FLOWS – PROPERTY TRUST FOR THE HALF YEAR ENDED 31 DECEMBER 2003

	31 Dec 2003	31 Dec 2002
	\$	\$
Cash Flows from Operating Activities		
Cash receipts from operations	37,050	13,665
Cash payments from operations	(3,144)	(13,665)
Net Cash Flows used in Operating Activities	33,906	-
Net Increase in Cash Held	33,906	-
Cash at beginning of financial period	929	540
Cash at end of financial period	34,835	540

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 on hand and deposit	34,835	540
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Reconciliation of cash flows from operations with profit (loss) from ordinary activities after income tax

Profit (loss) from ordinary activities after income tax	27,254	-
Changes in assets and liabilities		
Decrease in trade and other debtors	38,450	-
Increase in other financial assets	(280)	-
Decrease in sundry creditors and income in advance	(31,518)	-
Cash flows from operations	33,906	-

The cash flow statement should be read in conjunction with the accompanying notes.

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

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

1. Summary of Significant Accounting Policies

The general purpose half-year financial report has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standard AASB1029: Interim Financial Reporting, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of the Trust Constitution. It is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2003 and any public announcement made by Cowra Crossing Property Trust during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Trust and are consistent with those of the previous financial year and corresponding half-year.

For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

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 held by 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 at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months, net of 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 PROPERTY TRUST AND PROJECT

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

	31 Dec 2003 \$	31 Dec 2002 \$
2. REVENUE		
Operating activities		
- rent	18,525	13,665
- expenditure reimbursed by Blaxland Vineyards Limited	-	-
Total revenue	18,525	13,665
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
Expenses:		
Rates	1,600	1,000
Bank Fees	64	-
Legal Fees	-	-
Compliance Costs	1,400	2,366
Remuneration of auditor		
- audit or review	2,700	1,625
- other services	-	100
Managers Fee	(14,493)	8,574
	(8,729)	13,665
	31 Dec 2003 \$	30 Jun 2003 \$
4. CASH ASSETS		
Cash in Trust bank account	34,835	929
5. RECEIVABLES		
Current		
Trade Debtors	-	37,050
Blaxland Vineyards Limited	21,221	22,621
	21,221	59,671
6. OTHER FINANCIAL ASSETS		
GST receivable	280	-

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

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

	31 Dec 2003 \$	30 Jun 2003 \$
	<u> </u>	<u> </u>
7. PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	481,100	481,100
	<u> </u>	<u> </u>
8. PAYABLES		
Current		
Other creditors	4,700	17,693
Income in advance	18,525	37,050
	<u>23,225</u>	<u>54,743</u>
	<u> </u>	<u> </u>
9. CONTRIBUTED EQUITY		
571,820 fully paid units of the Trust	486,957	486,957
Profit	27,254	-
Total Equity	<u>514,211</u>	<u>486,957</u>
	<u> </u>	<u> </u>

10. Related Party Transactions

1. The Trust has leased the Grovella property for 12 years to Vineyard Management Pty Ltd, a company related to the Manager of the Trust.
2. The Manager and or their associates hold 96,620 units in the Trust.

11. Segment Reporting

The Trust operates in the viticultural industry of Australia.

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. Trustee and Custodian

The Trustee and Custodian to the project is Blaxland Vineyards Limited (ACN 067 514 792) of 493 High Street Maitland NSW 2320.

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

MANAGER'S DECLARATION – PROPERTY TRUST

The directors of Blaxland Vineyards Limited the Responsible Entity of Cowra Crossing Property Trust declare that the financial statements and notes:

- (a) comply with Australian Accounting Standards AASB 1029: Interim Financial Reporting and the Corporations Regulations;
- (b) give a true and fair view of the projects financial position as at 31 December 2003 and its performance for the half year ended on that date;

In our 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 of the Responsible Entity.

Ronald Malcolm Collins
Director

Philip James Slee
Director

Dated: 11 March 2004

COWRA CROSSING PROPERTY TRUST

INDEPENDENT REVIEW REPORT TO THE UNIT HOLDERS OF COWRA CROSSING PROPERTY TRUST

Scope

We have reviewed the financial statements, being the Profit and Loss Account, Balance Sheet, Statement of Cash Flows and Notes to and Forming Part of the Financial Statements of Cowra Crossing Property Trust for the half-year ended 31 December 2003. The directors of the trustee company are responsible for the financial statements. We have conducted an independent review of these financial statements in order to express an opinion on them to the Trustees, so as to enable the disclosing entity to lodge the financial report with the Australian Securities and Investment Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to enquiries of the Responsible Entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Cowra Crossing Property Trust is not in accordance with :

- (b) the Corporations Act 2001, including :
 - iii. giving a true and fair view of the Trust's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - iv. complying with Accounting Standard AASB 1029: Interim Financial Reporting and the Corporation Regulations; and
- (b) other mandatory professional reporting requirements.

WIDINS
Chartered Accountants
Sydney

R E MAYBERRY
Partner
Date : 28 February, 2004

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

DIRECTORY

Manager

Blaxland Vineyards Limited
Registered Office:
Suite 3, Level 1
493 High Street
Maitland NSW 2320
Phone (02) 4934 7622

Directors of the Manager

Philip James Slee
Ronald Malcolm Collins
Robert John Gibson

Trustee/ Custodian

Blaxland Vineyards Limited
493 High Street
Maitland NSW 2320

Independent Accountants and Auditors of the Project

Widins
Level 17,
15 Castlereagh Street
Sydney NSW 2000