

**COWRA CROSSING
VINEYARD PROPERTY TRUST
AND PROJECT**

ARSN 099 233 271

Report for the half-year
ended 31 December 2004

Managed by
Blaxland Vineyards Limited
ABN 61 067 514 792

COWRA CROSSING VINEYARD PROPERTY TRUST AND PROJECT

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COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004 - PROJECT

Chairman's Report

7th March 2005

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

Under the new arrangements, the total project running costs for 2005 were limited to \$676,134, 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 \$1,027,915 for the crop which appears to be in good condition and is estimated to be around 1,000 tonnes. Returns to Growers in 2005 should be about 4% higher than last year

Attached to this report is an independent viticulturists report on the vineyard prepared by Tim Essen, a consultant to Blaxland. His report and its recommendation have been passed to McGuigan Simeon for their comments and we will be reviewing their 2005 Management plan to ensure all items have been addressed.

Blaxland investors still have a further 3 vintages, after 2005, to take advantage of the McGuigan Simeon guaranteed return. From 2009 we will need to renegotiate the management of the vineyard and the sale of the crop.

A field day will be held on the vineyard on Saturday 19 March 2005 and we look forward to seeing some of the Growers on the property to review the project and the current state of the wine industry.

Neil MacKenzie
Chairman
Blaxland Vineyards Limited

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004 - PROJECT

The directors of the Responsible Entity submit the financial statements of the project for the half-year ended 31 December 2004.

Directors

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

Neil MacKenzie - Chairman
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 2004, maintenance and administration (including licence fees) are being carried out from funds paid prior to 30 June 2004 by growers for vineyard management for the 2004/2005 year. Income for the period has been brought to account based upon 50% of the agreed total amount \$1,027,915 (\$1,007,760) for the 2004/05 year, as set out in the new arrangements with McGuigan Simeon Wines Limited. This resulted in an operating profit to 31 December 2004 of \$175,879 (2003: \$213,030).

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 PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004 - 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 2004 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2004, 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 2004, 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 2005 should be similar to the 2004 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 2004 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. All fees to maintain the vineyard and manage the project were prepaid in June 2004. The total cost of the Project to 30 June 2005 will be met from these funds as set out in the Prospectus for the Project dated, 1996.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004 - 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: 7th March 2005

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE - PROJECT
FOR THE HALF YEAR ENDED 31 DECEMBER 2004**

	Note	31 Dec 2004 \$	31 Dec 2003 \$
		<u> </u>	<u> </u>
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	513,958	503,880
Expenses from ordinary activities	3	(338,079)	(290,850)
		<u> </u>	<u> </u>
Profit (loss) from ordinary activities before income tax expense		175,879	213,030
Income tax expense relating to ordinary activities	1	-	-
		<u> </u>	<u> </u>
Profit (loss) from ordinary activities after income tax expense		175,879	213,030
Distribution to growers	4	-	-
		<u> </u>	<u> </u>
Increase/(Decrease) in equity		<u>175,879</u>	<u>213,030</u>

The accompanying notes form part of these financial statements.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL POSITION - PROJECT
FOR THE HALF YEAR ENDED 31 DECEMBER 2004**

	Note	31 Dec 2004 \$	30 Jun 2004 \$
		<u> </u>	<u> </u>
CURRENT ASSETS			
Cash assets		2,903	2,794
Receivables	5	513,958	1,007,760
Other	6	338,067	638,344
TOTAL CURRENT ASSETS		<u>854,928</u>	<u>1,648,898</u>
 TOTAL ASSETS		 <u>854,928</u>	 <u>1,648,898</u>
 CURRENT LIABILITIES			
Payables	7	3,521	973,370
TOTAL CURRENT LIABILITIES		<u>3,521</u>	<u>973,370</u>
 TOTAL LIABILITIES		 <u>3,521</u>	 <u>973,370</u>
 NET ASSETS		 <u>851,407</u>	 <u>675,528</u>
 EQUITY			
Contributed Equity	4	<u>851,407</u>	<u>675,528</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 - PROJECT
FOR THE HALF YEAR ENDED 31 DECEMBER 2004**

	Note	31 Dec 2004 \$	31 Dec 2003 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		1,008,040	-
Payment to suppliers		(676,306)	(70,099)
Net cash inflow (outflow) from operating activities		331,734	(70,099)
CASH FLOW FROM FINANCING ACTIVITIES			
Distributions to growers		(331,625)	-
Net cash (outflow) from financing activities		(331,625)	
Net increase (decrease) in cash held		109	(70,099)
Cash at beginning of period		2,794	69,902
Cash at end of period		2,903	(197)
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		2,903	(197)
Reconciliation of cash flows from operating activities with profit from ordinary activities after income tax			
Profit from ordinary activities after income tax		175,879	213,030
(Increase)/decrease in current receivables		493,802	(503,880)
(Increase)/decrease in current prepayments		300,277	290,798
Decrease in trade creditors		(638,224)	(70,047)
Net cash flow from operating activities		331,734	(70,099)

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

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 2004 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 PROJECT
AND PROPERTY TRUST**

**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 2004	31 Dec 2003
	\$	\$
2. REVENUE		
Operating activities		
- 50% of agreed grape sales for 2004/05 year	513,958	503,880
Total Revenue	513,958	503,880
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
50% of Management Fee for 2004/05 year prepaid at 30/06/04	338,067	290,798
Bank charges	12	52
	338,079	290,850
	31 Dec 2004	30 Jun 2004
	\$	
4. GROWERS EQUITY		
Opening Balance	675,528	581,597
Net Profit available to Growers	175,879	425,556
Distribution to Growers	-	(331,625)
Closing Balance	851,407	675,528

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

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

	31 Dec 2004	30 Jun 2004
	\$	\$
5. RECEIVABLES		
Current		
McGuigan Simeon Wines Limited	-	1,007,760
50% of agreed grape sales for 2004/05 year	513,958	-
	<u>513,958</u>	<u>1,007,760</u>
6. OTHER CURRENT ASSETS		
Prepaid Vineyard Management Fees	319,171	638,344
Prepaid Licence fees	18,896	-
	<u>338,067</u>	<u>638,344</u>
7. PAYABLES		
Current		
Blaxland Vineyards Limited	469	638,693
Growers Distribution Payable	3,052	334,677
	<u>3,521</u>	<u>973,370</u>

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 PROJECT AND PROPERTY TRUST

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 2004 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: 7th March 2005

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 2004. 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 2004 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.

PRITCHARD ADAMS
Chartered Accountants
Sydney

R E MAYBERRY
Partner
Date : March , 2005

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004 – PROPERTY TRUST

Chairman's Report

7th March 2005

During the period under review the property was maintained in good order by the Vineyard Manager, McGuigan Simeon Wines Limited. Regular reports from vineyard consultants 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 project draws all of its water requirements from the bore, which is substantially in excess of the vineyard's requirements of 240 megalitres per annum.

The property was last valued in December 2003 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 available on request.

The valuation gives a value of \$8,222 per parcel of units, based on a total of 450 parcels (each parcel consists of 1350 units). A total of 607,500 units have been issued by the trust of which 125,550 (20%) are held by Blaxland.

Neil MacKenzie
Chairman
Blaxland Vineyards Limited

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004 – 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 2004.

Directors

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

Neil MacKenzie - Chairman
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 2005 was prepaid in June 2004 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 \$14,605 for the six months (2003:\$27,254). 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 Bilimari near Cowra, New South Wales.

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

Distribution

A distribution was paid to unit holders during the period of \$0.06577 cents per unit totalling \$39,961 being the distribution of trust profits for the year ended 30 June 2004.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2004 – 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 2004 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2004, 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 2004, 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 2005 should be similar to the 2004 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 holds 125,550 (20%) of the 607,500 units which have 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 PROJECT
AND PROPERTY TRUST**

**REPORT FOR THE HALF-YEAR
ENDED 31 DECEMBER 2004 – 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 (2003: NIL) 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: 7th March 2005

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL PERFORMANCE – PROPERTY TRUST
FOR THE HALF YEAR ENDED 31 DECEMBER 2004**

	Note	31 Dec 2004 \$	31 Dec 2003 \$
CLASSIFICATION OF EXPENSES BY NATURE			
Revenues from ordinary activities	2	19,091	18,525
Expenses from ordinary activities	3	(4,486)	8,729
Profit from ordinary activities before income tax expense		14,605	27,254
Income tax expense relating to ordinary activities	1	-	-
Profit from ordinary activities after income tax expense		14,605	27,254
Net profit		14,605	27,254

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**STATEMENT OF FINANCIAL POSITION – PROPERTY TRUST
AS AT 31 DECEMBER 2004**

	Notes	31 Dec 2004 \$	30 Jun 2004 \$
Current Assets			
Cash	4	42,765	49,717
Receivables	5	-	370
Other financial assets	6	1,141	-
Total Current Assets		<u>43,906</u>	<u>50,087</u>
Non Current Assets			
Property, plant & equipment	7	494,320	494,320
Total Non-Current Assets		<u>494,320</u>	<u>494,320</u>
Total Assets		<u>538,226</u>	<u>554,407</u>
Current Liabilities			
Payables	8	23,087	43,873
Total Current Liabilities		<u>23,087</u>	<u>43,873</u>
Total Liabilities		<u>23,087</u>	<u>43,873</u>
Net Assets		<u>515,139</u>	<u>500,534</u>
Unitholders' Equity			
Contributed Equity	9	501,919	487,314
Reserves	10	13,220	13,220
Total Unitholders' Equity		<u>515,139</u>	<u>500,534</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 – PROPERTY TRUST
FOR THE HALF YEAR ENDED 31 DECEMBER 2004**

	31 Dec 2004	31 Dec 2003
	\$	\$
Cash flows from operating activities		
Receipts from customers	37,791	37,050
Payments to suppliers	(5,348)	(3,144)
Interest received	196	-
Net cash inflow from operating activities	32,639	33,906
Cash flows from financing activities		
Proceeds from borrowings	370	-
Distributions of profits to growers	(39,961)	-
Net cash (outflow) from financing activities	(39,591)	-
Net Increase in Cash Held	(6,952)	33,906
Cash at beginning of financial year	49,717	929
Cash at end of financial year	42,765	34,835

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	42,765	34,835
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Reconciliation of cash flow from operating activities with profit (loss) from ordinary activities after income tax

Profit (loss) from ordinary activities after income tax	14,605	27,254
Changes in assets and liabilities		
Decrease in trade and other debtors	-	38,450
Increase in other financial assets	(1,141)	(280)
Decrease in sundry creditors and income in advance	19,175	(31,518)
Net cash flow from operating activities	32,639	33,906

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

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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 2004 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 PROJECT
AND PROPERTY TRUST**

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

	31 Dec 2004	31 Dec 2003
	<u>\$</u>	<u>\$</u>
2. REVENUE		
Operating activities		
- rent	18,895	18,525
- interest	196	-
Total revenue	<u>19,091</u>	<u>18,525</u>
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
Expenses:		
Rates	786	1,600
Bank Fees	173	64
Compliance Costs	1,889	1,400
Accounting fees	(1,212)	-
Remuneration of auditor		
- audit or review	2,850	2,700
- other services	-	-
Managers Fee	-	(14,493)
	<u>4,486</u>	<u>(8,729)</u>
	31 Dec 2004	30 Jun 2004
	<u>\$</u>	<u>\$</u>
4. CASH ASSETS		
Cash in Trust bank account	<u>42,765</u>	<u>49,717</u>
5. RECEIVABLES		
Current		
Blaxland Vineyards Limited	<u>-</u>	<u>370</u>
	<u>-</u>	<u>370</u>
6. OTHER FINANCIAL ASSETS		
GST receivable	355	-
Prepayments	786	-
	<u>1,141</u>	<u>-</u>

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

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

	31 Dec 2004 \$	30 Jun 2004 \$
7. PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	481,100	481,100
Revaluation increment	13,220	13,220
	<u>494,320</u>	<u>494,320</u>
8. PAYABLES		
Current		
Other creditors	3,889	3,912
Income in advance	18,895	-
Distribution Payable	303	39,961
	<u>23,087</u>	<u>43,873</u>
9. CONTRIBUTED EQUITY		
Balance at the beginning of the period	487,314	486,957
Issued Units	-	357
Profit for the period	14,605	-
Total Equity	<u>501,919</u>	<u>487,314</u>
10. RESERVES		
Balance at the beginning of the period	13,220	-
Revaluation of land	-	13,220
Balance at the end of the period	<u>13,220</u>	<u>-</u>

11. 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 125,550 units in the Trust.

12. Segment Reporting

The Trust operates in the viticultural industry of Australia.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

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

13. 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.

14. 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 PROJECT
AND PROPERTY TRUST**

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 2004 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: 7th March 2005

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 2004. 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 2004 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.

PRITCHARD ADAMS
Chartered Accountants
Sydney

R E MAYBERRY
Partner
Date : March, 2005

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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
Neil MacKenzie

Trustee/ Custodian

Blaxland Vineyards Limited
493 High Street
Maitland NSW 2320

Independent Accountants and Auditors of the Project

Pritchard Adams
Level 9,
10 Barrack Street
Sydney NSW 2000