

**COWRA CROSSING
VINEYARD PROPERTY TRUST
AND PROJECT**

ARSN 099 233 271

Report for the half-year
ended 31 December 2005

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 2005 - PROJECT

Chairman's Report

6 March 2006

The Cowra Crossing Vineyard is about to harvest its seventh vintage, the fourth 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 2006 were limited to \$746,006, 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 \$1,048,473 for the crop which appears to be in good condition and is estimated to be around 1,000 tonnes. Returns to Growers in 2006 should be about 4% higher than last year.

Blaxland investors still have a further 2 vintages, after 2006, 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, should McGuigan Simeon Wines decide not to extend the arrangement.

A field day will be held on the vineyard in November 2006 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 2005 - PROJECT

The directors of the Responsible Entity submit the financial statements of the project for the half-year ended 31 December 2005.

Directors

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

Neil R. MacKenzie - Chairman

Ronald M. Collins

Philip J. Slee

Robert J. Gibson

Review of Operations

Vineyard maintenance continues to be undertaken by McGuigan Simeon Wines Limited and for the six months ended 31 December 2005, maintenance and administration (including licence fees) are being carried out from funds paid prior to 30 June 2005 by growers for vineyard management for the 2005/2006 year. Income for the period has been brought to account based upon 50% of the agreed total amount \$1,048,473 (2005 \$1,027,915) for the 2006 year, as set out in the new arrangements with McGuigan Simeon Wines Limited. This resulted in an operating profit to 31 December 2005 of \$151,437 (2004: \$175,879).

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 2005 - 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 2005 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2005, 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 2005, 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 2006 should be similar to the 2005 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 2005 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 2005. The total cost of the Project to 30 June 2006 will be met from these funds as set out in the Prospectus for the Project dated 15 May, 1996.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2005 - 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.

Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS)

This interim 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.

Indemnification of Officers and Auditors

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

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

No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings.

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

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

Ronald M. Collins
Director

Philip J. Slee
Director

Date: 6 March 2006

Cowra Crossing Vineyard Project

Auditor's Independence Declaration

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**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**INCOME STATEMENT - PROJECT
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

	Note	31 Dec 2005 \$	31 Dec 2004 \$
		<u> </u>	<u> </u>
Revenues from ordinary activities	2	524,632	513,958
Expenses from ordinary activities	3	(373,195)	(338,079)
		<u> </u>	<u> </u>
Profit from ordinary activities before income tax expense		151,437	175,879
Income tax expense relating to ordinary activities	1	-	-
		<u> </u>	<u> </u>
Profit from ordinary activities after income tax expense		151,437	175,879
Distribution to growers	4	-	-
		<u> </u>	<u> </u>
Increase in equity		<u>151,437</u>	<u>175,879</u>

The accompanying notes form part of these financial statements.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**BALANCE SHEET - PROJECT
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

	Note	31 Dec 2005 \$	30 Jun 2005 \$
		<u> </u>	<u> </u>
CURRENT ASSETS			
Cash assets		2,515	2,312
Receivables	5	524,237	-
Other	6	373,003	746,006
TOTAL CURRENT ASSETS		<u>899,755</u>	<u>748,318</u>
TOTAL ASSETS		<u>899,755</u>	<u>748,318</u>
CURRENT LIABILITIES			
Payables	7	3,052	3,052
TOTAL CURRENT LIABILITIES		<u>3,052</u>	<u>3,052</u>
TOTAL LIABILITIES		<u>3,052</u>	<u>3,052</u>
NET ASSETS		<u>896,703</u>	<u>745,266</u>
GROWERS FUNDS	4	<u>896,703</u>	<u>745,266</u>

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 HALF YEAR ENDED 31 DECEMBER 2005**

	Note	31 Dec 2005 \$	31 Dec 2004 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		-	1,008,040
Payment to suppliers		(192)	(676,306)
Interest received		395	-
Net cash inflow (outflow) from operating activities		203	331,734
CASH FLOW FROM FINANCING ACTIVITIES			
Distributions to growers		-	(331,625)
Net cash (outflow) from financing activities		-	(331,625)
Net increase in cash held		203	109
Cash at beginning of financial period		2,312	2,794
Cash at end of financial period		2,515	2,903
NOTES TO THE CASH FLOW STATEMENT			
Reconciliation of Cash			
Cash at the end of the financial period as shown in the cash flow statement is reconciled to the related items in the balance sheet as follows:			
Cash at bank		2,515	2,903
Reconciliation of cash flows from operating activities with profit from ordinary activities after income tax			
Profit from ordinary activities after income tax		151,437	175,879
(Increase)/decrease in current receivables		(524,237)	493,802
(Increase)/decrease in current prepayments		373,003	300,277
Decrease in trade creditors		-	(638,224)
Net cash flow from operating activities		203	331,734

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 AASB134: 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 2005 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.

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 GAAP.

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 cash flow statement, 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 2005	31 Dec 2004
	\$	\$
2. REVENUE		
Operating activities		
- 50% of agreed grape sales for 2005/06 year	524,237	513,958
- Interest	395	-
Total Revenue	524,632	513,958
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
50% of Management Fee for 2005/06 year prepaid at 30/06/05	373,003	338,067
Bank charges	192	12
	373,195	338,079
	31 Dec 2005	30 Jun 2005
	\$	
4. GROWERS' FUNDS		
Opening Balance	745,266	675,528
Net Profit available to Growers	151,437	351,647
Distribution to Growers	-	(281,909)
Closing Balance	896,703	745,266

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

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

	31 Dec 2005	30 Jun 2005
	\$	\$
5. RECEIVABLES		
Current		
McGuigan Simeon Wines Limited		
50% of agreed grape sales for 2005/06 year	524,237	-
	524,637	-
6. OTHER CURRENT ASSETS		
Prepaid Vineyard Management Fees	351,802	703,604
Prepaid Licence fees	21,201	42,402
	373,003	746,006
7. PAYABLES		
Current		
Growers Distribution Payable	3,052	3,052
	3,052	3,052

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 AASB134: 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 2005 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 M. Collins
Director

Philip J. Slee
Director

Dated: 6 March 2006

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 2005. 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 2005 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 , 2006

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2005 – PROPERTY TRUST

Chairman's Report

6 March 2006

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 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. A further valuation will be carried out in December 2006.

The 2003 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 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 2005 – 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 2005.

Directors

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

Neil R. MacKenzie - Chairman
Ronald M. Collins
Philip J. Slee
Robert J. 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 2006 was prepaid in June 2005 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 \$15,739 for the six months (2004:\$14,605). 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 the property at Bilimari near Cowra, New South Wales on which Growers have developed the Cowra Crossing Vineyard.

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

Distribution

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

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2005 – 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 2005 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2005, 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 2005, 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 2006 should be similar to the 2005 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 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 2005 – 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 (2004: NIL) was paid to Blaxland Vineyards Limited to operate and manage the Trust.

Adoption of Australian Equivalents to International Financial Reporting Standards (IFRS)

This interim 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.

Indemnification of Officers and Auditors

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

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

No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings.

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

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

Ronald M. Collins
Director

Philip J. Slee
Director

Dated: 6 March 2006

Cowra Crossing Vineyard Property Trust

Auditor's Independence Declaration

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**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**INCOME STATEMENT – PROPERTY TRUST
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

	Note	31 Dec 2005 \$	31 Dec 2004 \$
		<u> </u>	<u> </u>
Revenues from ordinary activities	2	19,753	19,091
Expenses from ordinary activities	3	(4,014)	(4,486)
		<u> </u>	<u> </u>
Profit from ordinary activities before income tax expense		15,739	14,605
Income tax expense relating to ordinary activities	1	-	-
		<u> </u>	<u> </u>
Profit from ordinary activities after income tax expense		15,739	14,605
		<u> </u>	<u> </u>
Net profit		<u>15,739</u>	<u>14,605</u>

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**BALANCE SHEET – PROPERTY TRUST
AS AT 31 DECEMBER 2005**

	Notes	31 Dec 2005 \$	30 Jun 2005 \$
Current Assets			
Cash	4	42,898	8,765
Receivables	5	310	426
Other financial assets	6	969	325
Total Current Assets		<u>44,177</u>	<u>9,516</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>538,497</u>	<u>503,836</u>
Current Liabilities			
Payables	8	22,224	3,302
Total Current Liabilities		<u>22,224</u>	<u>3,302</u>
Total Liabilities		<u>22,224</u>	<u>3,302</u>
Net Assets		<u>516,273</u>	<u>500,534</u>
Unitholders' Equity			
Contributed Equity	9	487,314	487,314
Retained profits	10	15,739	-
Reserves	11	13,220	13,220
Total Unitholders' Equity		<u>516,273</u>	<u>500,534</u>

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

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

**CASH FLOW STATEMENT – PROPERTY TRUST
FOR THE HALF YEAR ENDED 31 DECEMBER 2005**

	31 Dec 2005	31 Dec 2004
	\$	\$
Cash flows from operating activities		
Receipts from customers	38,662	37,791
Payments to suppliers	(5,009)	(5,348)
Interest received	480	196
Net cash inflow from operating activities	34,133	32,639
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	34,133	(6,952)
Cash at beginning of financial period	8,765	49,717
Cash at end of financial period	42,898	42,765

NOTES TO THE CASH FLOW STATEMENT

Reconciliation of Cash

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

Cash on hand and deposit	42,898	42,765
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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	15,739	14,605
Changes in assets and liabilities		
Decrease in receivables	116	-
(Increase) in other financial assets	(644)	(1,141)
Increase/ (Decrease) in payables	(351)	19,175
Increase in income in advance	19,273	-
Net cash flow from operating activities	34,133	32,639

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 AASB134: 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 2005 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.

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 GAAP.

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.

Property, Plant and Equipment

Each class of property plant and equipment is carried at cost, less where applicable any accumulated depreciation.

Property

Freehold land and buildings are measured 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.

Cash

For the purpose of the cash flow statement, 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.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

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

1. Summary of Significant Accounting Policies (contd)

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.

Impairment of Assets

At each reporting date, the Trustee reviews the carrying value of the tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

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

	31 Dec 2005	31 Dec 2004
	<u>\$</u>	<u>\$</u>
2. REVENUE		
Operating activities		
- rent	19,273	18,895
- interest	480	196
	<u>19,753</u>	<u>19,091</u>
3. PROFIT FROM ORDINARY ACTIVITIES		
Profit from ordinary activities before income tax has been determined after:		
Expenses:		
Rates	969	786
Bank Fees	198	173
Compliance Costs	1,750	1,889
Accounting fees	-	(1,212)
Remuneration of auditor		
- audit or review	3,125	2,850
- other services	-	-
Water	(2,028)	-
	<u>4,014</u>	<u>4,486</u>
	31 Dec 2005	30 Jun 2005
	<u>\$</u>	<u>\$</u>
4. CASH ASSETS		
Cash in Trust bank account	<u>42,898</u>	<u>8,765</u>
5. RECEIVABLES		
Current		
GST receivable	<u>310</u>	<u>426</u>
	<u>310</u>	<u>426</u>
6. OTHER FINANCIAL ASSETS		
Prepayments	<u>969</u>	<u>325</u>
	<u>969</u>	<u>325</u>

**COWRA CROSSING VINEYARD PROJECT
AND PROPERTY TRUST**

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

	31 Dec 2005	30 Jun 2005
	\$	\$
7. PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	494,320	481,100
Revaluation increment	-	13,220
	494,320	494,320
8. PAYABLES		
Current		
Other creditors	2,951	3,302
Income in advance	19,273	-
	22,224	3,302
9. CONTRIBUTED EQUITY		
Balance at the beginning of the period	487,314	487,314
Balance at the end of the period	487,314	487,314
There are 607,500 units issued in the Trust		
10. RETAINED PROFITS		
Balance at the beginning of the period		
Profit for the period	15,739	27,593
Distribution for the period	-	(27,593)
Balance at the end of the period	15,739	-
11. RESERVES		
Balance at the beginning of the period	13,220	13,220
Balance at the end of the period	13,220	13,220

12. 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.

13. 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**

14. 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.

15. 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 134: Interim Financial Reporting and the Corporations Regulations;
- (b) give a true and fair view of the projects financial position as at 31 December 2005 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 M. Collins
Director

Philip J. Slee
Director

Dated: 6 March 2006

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 2005. 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 2005 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, 2006

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 J. Slee
Ronald M. Collins
Robert J. Gibson
Neil R. 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