

# COWRA CROSSING PROPERTY TRUST AND PROJECT

ARSN 099 233 271

Report for the half-year  
ended 31 December 2006

Managed by  
Blaxland Vineyards Limited  
ABN 61 067 514 792

# COWRA CROSSING PROPERTY TRUST AND PROJECT

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

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006 - PROJECT**

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The directors of the Responsible Entity submit the financial statements of the project for the half-year ended 31 December 2006.

### **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

### **Review of Operations**

Vineyard maintenance continues to be undertaken by McGuigan Simeon Wines Limited and for the six months ended 31 December 2006, maintenance and administration (including licence fees) are being carried out from funds paid prior to 30 June 2006 by growers for vineyard management for the 2006/2007 year. Income for the period has been brought to account based upon 50% of the agreed total amount of \$1,069,443 (2006 \$1,048,473) for the 2007 year, as set out in the current arrangements with McGuigan Simeon Wines Limited. This resulted in an operating profit to 31 December 2006 of \$154,469 (2006: \$151,437).

The growing season culminating in the 2007 harvest was one of the most difficult encountered in the history of this vineyard. Restricted spring growth due to lack of winter rains reduced the canopy to about half the required to bring home a reasonable crop. The continuing drought further impacted on the struggling vines so that a crop of just under 200 tonnes was harvested compared with recent crops of over 1,000 tonnes.

### **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.

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

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006 - PROJECT**

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### **Distributions Paid**

During the period under review there was a distribution in July 2006 of \$287,547 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.

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

- the operations, in financial years subsequent to 31 December 2006, 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 2006, 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 2007 should be similar to the 2006 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.

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

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006 - PROJECT**

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### **Interests Issued**

During the period no further interests were issued in the project. There were no withdrawals from the project. At the 31 December 2006 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 period.

### **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 2006. The total cost of the Project to 30 June 2007 will be met from these funds as set out in the Prospectus for the Project dated 15 May, 1996.

### **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.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**REPORT FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2006 - PROJECT**

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

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

**Ronald M. Collins**  
**Director**

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

Date: 7 March 2007

**COWRA CROSSING VINEYARD PROJECT**

**AUDITOR'S INDEPENDENCE DECLARATION**

**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF THE RESPONSIBLE ENTITY**

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I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2006, there have been:

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



**Pritchard Adams**  
Chartered Accountants



Robert Mayberry  
Partner

**8 MARCH, 2007.**

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**INCOME STATEMENT - PROJECT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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	Note	31 Dec 2006 \$	31 Dec 2005 \$
Revenues from continuing operations	2	535,123	524,632
Expenses from continuing operations	3	(380,654)	(373,195)
<b>Profit before income tax</b>		<u>154,469</u>	<u>151,437</u>
Income tax expense	1	<u>-</u>	<u>-</u>
<b>Profit for the half year</b>		<u>154,469</u>	<u>151,437</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 2006**

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	Note	31 Dec 2006 \$	30 Jun 2006 \$
		<u>          </u>	<u>          </u>
<b>CURRENT ASSETS</b>			
Cash assets		6,013	5,802
Receivables	4	534,721	287,545
Other	5	380,464	760,928
<b>TOTAL CURRENT ASSETS</b>		<u>921,198</u>	<u>1,054,275</u>
<b>TOTAL ASSETS</b>		<u>921,198</u>	<u>1,054,275</u>
<b>CURRENT LIABILITIES</b>			
Payables	6	6,461	6,460
<b>TOTAL CURRENT LIABILITIES</b>		<u>6,461</u>	<u>6,460</u>
<b>TOTAL LIABILITIES</b>		<u>6,461</u>	<u>6,460</u>
<b>NET ASSETS</b>		<u>914,737</u>	<u>1,047,815</u>
<b>GROWERS' EQUITY</b>		<u>914,737</u>	<u>1,047,815</u>

The accompanying notes form part of these financial statements.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**STATEMENT OF CHANGES IN EQUITY - PROJECT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

<b>2005</b>			
	Note	Growers' Equity \$	Total \$
Balance at 1 July 2005		745,266	745,266
Profit attributable to growers		151,437	151,437
Distribution to growers		-	-
<b>Balance at 31 December 2005</b>		<b>896,703</b>	<b>896,703</b>
<b>2006</b>			
	Note	Growers' Equity \$	Total \$
Balance at 1 July 2006		1,047,815	1,047,815
Profit attributable to growers		154,469	154,469
Distribution to growers		(287,547)	(287,547)
<b>Balance at 31 December 2006</b>		<b>914,737</b>	<b>914,737</b>

The accompanying notes form part of these financial statements.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**CASH FLOW STATEMENT - PROJECT  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	Note	31 Dec 2006 \$	31 Dec 2005 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		287,545	-
Payment to suppliers		(189)	(192)
Interest received		402	395
<b>Net cash inflow (outflow) from operating activities</b>		<b>287,758</b>	<b>203</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Distributions to growers		(287,547)	-
<b>Net cash (outflow) from financing activities</b>		<b>(287,547)</b>	<b>-</b>
Net increase in cash held		211	203
Cash at beginning of financial period		5,802	2,312
<b>Cash at end of financial period</b>		<b>6,013</b>	<b>2,515</b>
<b>NOTES TO THE CASH FLOW STATEMENT</b>			
<b>Reconciliation of Cash</b>			
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		6,013	2,515
<b>Reconciliation of cash flows from operating activities with profit for the half year</b>			
Profit for the half year		154,469	151,437
(Increase)/decrease in current receivables		(247,176)	(524,237)
(Increase)/decrease in current prepayments		380,464	373,003
Decrease in trade creditors		1	-
<b>Net cash flow from operating activities</b>		<b>287,758</b>	<b>203</b>

The accompanying notes form part of these financial statements.

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

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

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The 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 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 2006 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.

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 period which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

	<b>31 Dec 2006 \$</b>	<b>31 Dec 2005 \$</b>
<b>2. REVENUE</b>		
<b>Operating activities</b>		
- 50% of agreed grape sales for 2006/07 year	534,721	524,237
- Interest	402	395
<b>Total Revenue</b>	535,123	524,632
 <b>3. PROFIT FROM ORDINARY ACTIVITIES</b>		
<b>Profit from ordinary activities before income tax has   been determined after:</b>		
50% of Management Fee for 2006/07 year prepaid at 30/06/06	380,461	373,003
Bank charges	193	192
	380,654	373,195

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

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

	<b>31 Dec 2006</b>	<b>30 Jun 2006</b>
	\$	\$
<b>4. RECEIVABLES</b>		
<b>Current</b>		
McGuigan Simeon Wines Limited		
50% of agreed grape sales for 2006/07 year	534,721	287,545
	<u>534,721</u>	<u>287,545</u>
<b>5. OTHER CURRENT ASSETS</b>		
Prepaid Vineyard Management Fees	358,839	717,678
Prepaid Licence fees	21,625	43,250
	<u>380,464</u>	<u>760,928</u>
<b>6. PAYABLES</b>		
<b>Current</b>		
Sundry creditors	6,461	6,460
	<u>6,461</u>	<u>6,460</u>

**7. SEGMENT REPORTING**

The project operates in the viticultural industry of Australia.

**8. 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.

**9. 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**

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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 project's financial position as at 31 December 2006 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: 7 March 2007

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

We have reviewed the financial statements, being the Income Statement, Balance Sheet, Cash Flow Statement and notes to and forming part of the financial statements, included as part of the financial report of Cowra Crossing Vineyard Project for the half year ended 31 December 2006. The directors of the Responsible Entity are responsible for the financial report. We have performed the review of the financial statements in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial statements are not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements, to enable the disclosing entity to lodge the financial statements with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries 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, we do not express an audit opinion.

**Independence**

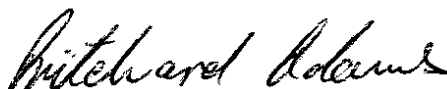
In conducting our review, we followed applicable independence requirements of Australian ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's declaration set out on page 6 of the financial report has not changed as at the date of providing our review opinion.

**Statement**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Cowra Crossing Vineyard Project is not in accordance with:

- a. the Corporations Act 2001, including giving a true and fair view of the Project's financial position as at 31 December 2006 and its performance for the half-year then ended; and Accounting Standard AASB 134: Interim Financial Reporting.
- b. other mandatory professional reporting requirements in Australia.

**Pritchard Adams**

Sydney,

**Robert Mayberry**  
Partner

Date : 8 MARCH, 2007.

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

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006 – PROPERTY TRUST**

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The directors of the Responsible Entity submit the financial report of the operations of the Trust for the half-year ended 31 December 2006.

### **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

### **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 2007 was prepaid in June 2006 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 \$12,485 for the six months to 31 December 2006 (2005:\$15,739). 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.

The property was valued in December 2006 by James Patterson of Regional & Rural Valuers Pty Limited, valuers specialising in rural related assets in the Cowra district. The vineyard, including house and water licences, was valued at \$3,075,000. This valuation is \$625,000 less than the previous valuation carried out in January 2003 and reflects the perceived oversupply of fruit. A copy of the valuation is available on request.

This valuation gives a value of \$6,833 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.

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

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006 – PROPERTY TRUST**

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### **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 period.

### **Distribution**

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

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

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

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

- the operations, in financial years subsequent to 31 December 2006, 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 2006, 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 2007 should be similar to the 2006 result.

### **Environmental Regulation**

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

### **Options**

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

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

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2006 – PROPERTY TRUST**

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### **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 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 (2005: 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 period.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**REPORT FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2006 – PROPERTY TRUST**

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

**Ronald M. Collins**  
**Director**

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

Dated: 7 March 2007

**COWRA CROSSING VINEYARD PROPERTY TRUST**

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

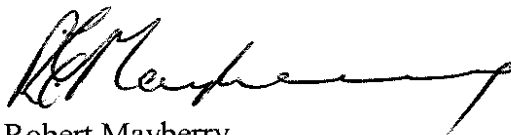
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I declare that to the best of my knowledge and belief, during the half-year ended 31 December 2006, there have been:

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



**Pritchard Adams**  
Chartered Accountants



**Robert Mayberry**  
Partner

*8 MARCH, 2007.*

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**INCOME STATEMENT – PROPERTY TRUST  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

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	Note	31 Dec 2006 \$	31 Dec 2005 \$
		<hr/>	<hr/>
Revenues from continuing operations	2	20,130	19,753
Expenses from continuing operations	3	(7,645)	(4,014)
		<hr/>	<hr/>
<b>Profit before income tax</b>		12,485	15,739
Income tax expense	1	-	-
		<hr/>	<hr/>
<b>Profit for the half year</b>		<u>12,485</u>	<u>15,739</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 2006**

	Notes	31 Dec 2006 \$	30 Jun 2006 \$
<b>Current Assets</b>			
Cash	4	48,930	37,960
Receivables	5	686	408
Other financial assets	6	976	-
<b>Total Current Assets</b>		<u>50,592</u>	<u>38,368</u>
<b>Non Current Assets</b>			
Property, plant & equipment	7	761,960	494,320
<b>Total Non-Current Assets</b>		<u>761,960</u>	<u>494,320</u>
<b>Total Assets</b>		<u>812,552</u>	<u>532,688</u>
<b>Current Liabilities</b>			
Payables	8	31,893	32,154
<b>Total Current Liabilities</b>		<u>31,893</u>	<u>32,154</u>
<b>Total Liabilities</b>		<u>31,893</u>	<u>32,154</u>
<b>Net Assets</b>		<u>780,659</u>	<u>500,534</u>
<b>Unitholders' Equity</b>			
Contributed Equity		487,314	487,314
Retained Earnings		12,485	-
Asset Revaluation Reserve		280,860	13,220
<b>Total Unitholders' Equity</b>		<u>780,659</u>	<u>500,534</u>

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**STATEMENT OF CHANGES IN EQUITY – PROPERTY TRUST  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

<b>2005</b>					
	Note	Contributed Equity \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2005		487,314	-	13,220	500,534
Profit attributable to growers		-	15,739	-	15,739
<b>Balance at 31 December 2005</b>		<b>487,314</b>	<b>15,739</b>	<b>13,220</b>	<b>516,273</b>
<b>2006</b>					
	Note	Contributed Equity \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2006		487,314	-	13,220	500,534
Profit attributable to growers		-	12,485	-	12,485
Revaluation of property				267,640	267,640
<b>Balance at 31 December 2006</b>		<b>487,314</b>	<b>12,485</b>	<b>280,860</b>	<b>780,659</b>

The accompanying notes form part of these financial statements

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**CASH FLOW STATEMENT – PROPERTY TRUST  
FOR THE HALF YEAR ENDED 31 DECEMBER 2006**

	<b>31 Dec 2006</b>	<b>31 Dec 2005</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	39,318	38,662
Payments to suppliers	(116)	(5,009)
Interest received	471	480
<b>Net cash inflow from operating activities</b>	<b>39,673</b>	<b>34,133</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	-	-
Distributions of profits to growers	(28,703)	-
<b>Net cash (outflow) from financing activities</b>	<b>(28,703)</b>	<b>-</b>
<b>Net Increase in Cash Held</b>	10,970	34,133
Cash at beginning of financial period	37,960	8,765
<b>Cash at end of financial period</b>	<b>48,930</b>	<b>42,898</b>

**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	48,930	42,898
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**Reconciliation of cash flow from operating activities with profit for the half year**

Profit for the half year	12,485	15,739
Changes in assets and liabilities		
(Increase)/Decrease in receivables	(278)	116
(Increase) in other financial assets	(976)	(644)
Increase/ (Decrease) in payables	8,783	(351)
Increase in income in advance	19,659	19,273
<b>Net cash flow from operating activities</b>	<b>39,673</b>	<b>34,133</b>

The accompanying notes form part of these financial statements

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

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

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### **1. 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 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 2006 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.

#### **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**

Any real property purchased by the Trust is valued at fair value. 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 revalued 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 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**

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### **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**

	<b>31 Dec 2006 \$</b>	<b>31 Dec 2005 \$</b>
<b>2. REVENUE</b>		
<b>Operating activities</b>		
- rent	19,659	19,273
- interest	471	480
<b>Total revenue</b>	20,130	19,753
<b>3. PROFIT FROM ORDINARY ACTIVITIES</b>		
<b>Profit from ordinary activities before income tax has been determined after:</b>		
<b>Expenses:</b>		
Rates	976	969
Bank Fees	194	198
Compliance Costs	1,750	1,750
Consultants	3,000	-
Remuneration of auditor		
- audit or review	1,725	3,125
- other services	-	-
Water	-	(2,028)
	7,645	4,014
	<b>31 Dec 2006 \$</b>	<b>30 Jun 2006 \$</b>
<b>4. CASH ASSETS</b>		
Cash in Trust bank account	48,930	37,960
<b>5. RECEIVABLES</b>		
<b>Current</b>		
GST receivable	686	408
	686	408
<b>6. OTHER FINANCIAL ASSETS</b>		
Prepayments	976	-
	976	-

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

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

	<b>31 Dec 2006</b>	<b>30 Jun 2006</b>
	<b>\$</b>	<b>\$</b>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land – at fair value	761,960	494,320
Total property, plant and equipment	761,960	494,320
<p>The vineyard was revalued in December 2006. An independent valuation was performed by James Patterson Certified Practising Valuer Registered Valuer No 2546 AAPI. The property inclusive of the land on an unimproved basis, buildings and water was valued at \$761,960.</p>		
<b>8. PAYABLES</b>		
<b>Current</b>		
Other creditors	12,234	3,451
Income in advance	19,659	28,703
	31,893	32,154

**9. 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.

**10. Segment Reporting**

The Trust operates in the viticultural industry of Australia.

**11. The Trust**

The Cowra Crossing Property Trust and Project and (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.

**12. 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**

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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 2006 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: 7 March 2007

**COWRA CROSSING VINEYARD PROPERTY TRUST**

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

**Scope**

We have reviewed the financial statements, being the Income Statement, Balance Sheet, Cash Flow Statement and notes to and forming part of the financial statements, included as part of the financial report of Cowra Crossing Vineyard Property Trust for the half year ended 31 December 2006. The directors of the Responsible Entity are responsible for the financial report. We have performed the review of the financial statements in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial statements are not presented fairly in accordance with Accounting Standard AASB 134: Interim Financial Reporting and other mandatory professional reporting requirements in Australia, to enable the disclosing entity to lodge the financial statements with the Australian Securities and Investments Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries 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, we do not express an audit opinion.

**Independence**

In conducting our review, we followed applicable independence requirements of Australian ethical pronouncements and the Corporations Act 2001.

In accordance with ASIC Class Order 05/83, we declare to the best of our knowledge and belief that the auditor's declaration set out on page 20 of the financial report has not changed as at the date of providing our review opinion.

**Statement**

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of Cowra Crossing Vineyard Property Trust is not in accordance with:

- a. the Corporations Act 2001, including giving a true and fair view of the Trust's financial position as at 31 December 2006 and its performance for the half-year then ended; and Accounting Standard AASB 134: Interim Financial Reporting.
- b. other mandatory professional reporting requirements in Australia.



**Pritchard Adams**

Sydney,



**Robert Mayberry**

Partner

Date : **8 MARCH, 2007.**

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

## **DIRECTORY**

### **Manager**

Blaxland Vineyards Limited

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

### **Directors of the Manager**

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

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

Pritchard Adams  
Level 9,  
10 Barrack Street  
Sydney NSW 2000

### **Project Location**

1697 North Logan Road  
BILLIMARI NSW 2804

### **Project Administration**

Blaxland Vineyards Limited  
PO Box 737  
MAITLAND NSW 2320