

**COWRA CROSSING  
VINEYARD PROJECT  
AND PROPERTY TRUST**

ARSN 099 233 271

Report for the half-year  
ended 31 December 2007

Managed by  
Blaxland Vineyards Limited  
ABN 61 067 514 792

# COWRA CROSSING PROPERTY TRUST AND PROJECT

## CONTENTS

Report for the Half Year - Project .....	2-4
Auditor’s Independence Declaration - Project.....	5
Income Statement – Project .....	6
Balance Sheet – Project .....	7
Statement of Changes in Equity – Project .....	8
Cash Flow Statement– Project.....	9
Notes to and Forming Part of the Financial Statements – Project .....	10-11
Manager’s Declaration – Project .....	12
Independent Review Report – Project .....	13
Report for the Half Year – Property Trust.....	14-16
Auditor’s Independence Declaration – Property Trust .....	17
Income Statement – Property Trust .....	18
Balance Sheet – Property Trust .....	19
Statement of Changes in Equity – Property Trust .....	20
Cash Flow Statement – Property Trust .....	21
Notes to and Forming Part of the Financial Statements – Property Trust .....	22-24
Manager’s Declaration – Property Trust .....	25
Independent Review Report – Property Trust .....	26
Directory .....	27

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

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007 - PROJECT**

---

The directors of the Responsible Entity submit the financial statements of the project for the half-year ended 31 December 2007.

### **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 Australian Vintage Limited (formerly McGuigan Wines) and for the six months ended 31 December 2007, maintenance and administration (including licence fees) are being carried out from funds paid prior to 30 June 2007 by growers for vineyard management for the 2007/2008 year. Income for the period has been brought to account based upon 50% of the agreed total amount of \$1,090,831 (2007 \$1,069,443) for the 2008 year, as set out in the current arrangements with Australian Vintage Limited. This resulted in an operating profit to 31 December 2007 of \$157,797 (2007: \$154,469).

The 2008 growing season started with a single frost event on 9 October 2007 reducing the potential crop in 2008 by up to 45%, leaving a crop of around 500 tonnes to be harvested. Rains during January and February will have also had an impact on quality this year. In June Australian Vintage Limited will leave the vineyard as their contract expires. Blaxland will take over the site and manage the vineyard until 30 June 2009 or longer depending on the outcome of a meeting of Growers to be held later this year.

### **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 was a distribution in July 2007 of \$293,443 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 2007 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2007, 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 2007, of that economic entity.

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

## **REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007 - PROJECT**

---

### **Future Developments**

There are no developments or changes to the current position and arrangements for running the vineyard. The financial result anticipated for 2008 should be similar to the 2007 result. After 30 June 2008 the vineyard will be managed directly by Blaxland and there is no contract in place as yet for the sale of the crop in 2009.

### **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 31 December 2007 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 2007. The total cost of the Project to 30 June 2008 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. The Responsible Entity was not a party to any such proceedings during the period.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

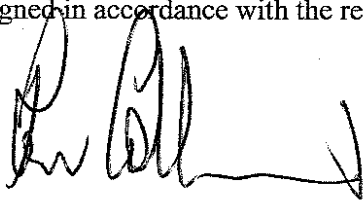
**REPORT FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2007 - PROJECT**

---

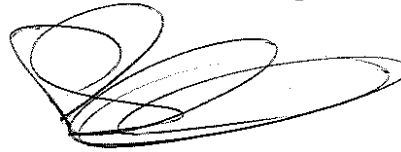
**Auditor's Independence Declaration**

The auditor's independence declaration is set out on page 5 and forms part of the report for the financial period ended 31 December 2007.

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



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



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

Date: 3 March 2008

# NEXIA COURT & CO



CHARTERED  
ACCOUNTANTS

ABN 71 502 156 733

## COWRA CROSSING VINEYARD PROJECT

### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of the responsible entity of Cowra Crossing Vineyard Project:

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2007 there have been:

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

Nexia Court & Co  
Chartered Accountants

Sydney

Dated: 4 March 2008

Robert Mayberry  
Partner

Level 29, Australia Square  
264 George Street,  
Sydney NSW 2000  
PO Box H195,  
Australia Square NSW 1215  
T 61 2 9251 4600  
F 61 2 9251 7138  
info@nxiacourt.com.au  
www.nxiacourt.com.au

#### Partners

Stephen J Rogers  
Ian D Stone  
Paul W Lenton  
Neil R Hillman  
Stephen W Davis  
David M Gallery  
Robert A McGuinness  
Kirsten Taylor-Martin  
Andrew S Hoffmann  
Graeme J Watman  
David R Cust  
Craig J Willford  
Sean P Urquhart  
Robert Mayberry

NEXIA COURT & CO. IS A MEMBER OF  
NEXIA INTERNATIONAL - A WORLDWIDE  
NETWORK OF INDEPENDENT ACCOUNTING  
AND CONSULTING FIRMS.



LIABILITY LIMITED BY A  
SCHEME APPROVED UNDER  
PROFESSIONAL STANDARDS  
LEGISLATION.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**INCOME STATEMENT – PROJECT  
FOR THE PERIOD ENDED 30 DECEMBER 2007**

---

	Note	31 Dec 2007 \$	31 Dec 2006 \$
Revenues	2	545,987	535,123
Expenses	3	(388,190)	(380,654)
<b>Profit before income tax</b>		<u>157,797</u>	<u>154,469</u>
Income tax expense	1	<u>-</u>	<u>-</u>
<b>Profit for the half year</b>		<u>157,797</u>	<u>154,469</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 2007**

	Note	31 Dec 2007 \$	30 Jun 2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		7,857	7,475
Trade and other receivables	4	545,416	293,444
Other assets	5	387,999	775,999
<b>TOTAL CURRENT ASSETS</b>		<u>941,272</u>	<u>1,076,918</u>
<b>TOTAL ASSETS</b>		<u>941,272</u>	<u>1,076,918</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	6	8,058	8,058
<b>TOTAL CURRENT LIABILITIES</b>		<u>8,058</u>	<u>8,058</u>
<b>TOTAL LIABILITIES</b>		<u>8,058</u>	<u>8,058</u>
<b>NET ASSETS</b>		<u>933,214</u>	<u>1,068,860</u>
<b>GROWERS' EQUITY</b>		<u>933,214</u>	<u>1,068,860</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 2007**

---

<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>
<b>2007</b>			
	Note	Growers' Equity \$	Total \$
Balance at 1 July 2007		1,068,860	1,068,860
Profit attributable to growers		157,797	157,797
Distribution to growers		(293,443)	(293,443)
<b>Balance at 31 December 2007</b>		<b>933,214</b>	<b>933,214</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 2007**

	31 Dec 2007	31 Dec 2006
Note	\$	\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts from customers	293,444	287,545
Payment to suppliers	(191)	(189)
Interest received	572	402
<b>Net cash inflow from operating activities</b>	<b>293,825</b>	<b>287,758</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Distributions to growers	(293,443)	(287,547)
<b>Net cash outflow from financing activities</b>	<b>(293,443)</b>	<b>(287,547)</b>
Net increase in cash and cash equivalents	382	211
Cash and cash equivalents at beginning of financial period	7,475	5,802
<b>Cash and cash equivalents at end of financial period</b>	<b>7,857</b>	<b>6,013</b>
<b>NOTES TO THE CASH FLOW STATEMENT</b>		
<b>Reconciliation of Cash and cash equivalents</b>		
Cash and cash equivalents 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	7,857	6,013
<b>Reconciliation of cash flows from operating activities with profit for the half year</b>		
Profit for the half year	157,797	154,469
Increase in current receivables	(251,971)	(247,176)
Decrease in current prepayments	387,999	380,464
Decrease in trade creditors	-	1
<b>Net cash flow from operating activities</b>	<b>293,825</b>	<b>287,758</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

---

### 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 2007 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 and cash equivalents**

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and money market investments readily convertible to cash within 2 working days, net of outstanding bank overdrafts.

(e) **Non-current investments**

Non-current investments are brought to account at cost or at directors' valuation. The carrying amount of investments is reviewed annually by directors to ensure it is not in excess of the recoverable amount of these investments. 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.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

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

	<b>31 Dec 2007 \$</b>	<b>31 Dec 2006 \$</b>
<b>2. REVENUE</b>		
<b>Operating activities</b>		
- 50% of agreed grape sales for 2007/08 year	545,416	534,721
- Interest	571	402
<b>Total Revenue</b>	545,987	535,123
<b>3. PROFIT</b>		
<b>Profit before income tax has been determined after:</b>		
50% of Management Fee for 2007/08 year prepaid at 30/06/07	387,999	380,461
Bank charges	191	193
	388,190	380,654
	<b>31 Dec 2007 \$</b>	<b>30 Jun 2007 \$</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Australian Vintage Limited 50% of agreed grape sales for 2007/08 year	545,416	293,444
	545,416	293,444
<b>5. OTHER ASSETS</b>		
<b>Current</b>		
Prepaid Vineyard Management Fees	365,942	731,885
Prepaid Licence fees	22,057	44,114
	387,999	775,999
<b>6. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	8,058	8,058
	8,058	8,058

**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**

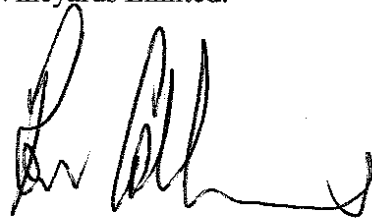
**MANAGER'S DECLARATION – PROJECT**

---

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 2001; and
  - b) give a true and fair view of the project's financial position as at 31 December 2007 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: 3 March 2008

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



CHARTERED  
ACCOUNTANTS

ABN 71 502 156 733

We have reviewed the accompanying interim financial report of Cowra Crossing Vineyard Project, which comprises the interim balance sheet as at 31 December 2007, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration of the responsible entity.

#### *Directors' Responsibility for the Financial Report*

The directors of the responsible entity are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the interim financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As auditor of Cowra Crossing Vineyard Project, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted under Australian Auditing Standards and consequently does not enable us to obtain assurance that we become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion.

#### *Statement of continued independence*

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

#### *Conclusion*

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 and Property Trust is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of Cowra Crossing Vineyard Project financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Nexia Court & Co  
Chartered Accountants

Sydney

Dated: 4 March 2008

  
Robert Mayberry  
Partner

#### Partners

Stephen J Rogers  
Ian D Stone  
Paul W Lenton  
Neil R Hillman  
Stephen W Davis  
David M Gallery  
Robert A McGuinness  
Kirsten Taylor-Martin  
Andrew S Hoffmann  
Graeme J Watman  
David R Cust  
Craig J Wilford  
Sean P Urquhart  
Robert Mayberry



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

## **DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007 – 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 2007.

### **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, Australian Vintage Limited (formerly McGuigan Simeon Wines Limited) who continue to maintain and make improvements to the house and sheds at their own expense and who have agreed to a list of repairs to be carried out before leaving the property in June 2008.

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 2008 was prepaid in June 2007 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 \$15,447 for the six months to 31 December 2007 (2006:\$12,485). 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 last valued in December 2006 by James Patterson of Regional & Rural Valuers Pty Limited, at an all up value of \$3,075,000. This valuation is considered the value of the Australian Vintage Limited contract, which terminates in June 2008.

### **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.

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

## **DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2007 – PROPERTY TRUST**

---

### **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 2007 that has significantly affected or may significantly affect:

- the operations, in financial years subsequent to 31 December 2007, 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 2007, of that economic entity.

### **Future Developments**

There are no developments or changes to the current position and arrangements for running the vineyard through to June 2008, when Australian Vintage Limited leave the Vineyard and Management will be taken over by Blaxland Vineyards Limited.

### **Environmental Regulation**

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

### **Options**

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

### **Interests Issued**

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 (2006: 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.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**DIRECTORS' REPORT FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2007 – PROPERTY TRUST**

---

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.

**Auditor's Independence Declaration**

The auditor's independence declaration is set out on page 17 and forms part of the director's report for the financial period ended 31 December 2007.

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



**Ronald M. Collins**  
Director



**Philip J. Slee**  
Director

Dated: 3 March 2008

# NEXIA COURT & CO



CHARTERED  
ACCOUNTANTS

ABN 71 502 156 733

## COWRA CROSSING VINEYARD PROPERTY TRUST

### AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of the responsible entity of Cowra Crossing Vineyard Property Trust:

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2007 there have been:

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

Nexia Court & Co  
Chartered Accountants

Robert Mayberry  
Partner

Sydney

Dated: 4 March 2008

#### Partners

Stephen J Rogers  
Ian D Stone  
Paul W Lenton  
Neil R Hillman  
Stephen W Davis  
David M Gallery  
Robert A McGuinness  
Kirsten Taylor-Martin  
Andrew S Hoffmann  
Graeme J Watman  
David R Cust  
Craig J Wilford  
Sean P Urquhart  
Robert Mayberry

NEXIA COURT & CO. IS A MEMBER OF  
NEXIA INTERNATIONAL - A WORLDWIDE  
NETWORK OF INDEPENDENT ACCOUNTING  
AND CONSULTING FIRMS.



LIABILITY LIMITED BY A  
SCHEME APPROVED UNDER  
PROFESSIONAL STANDARDS  
LEGISLATION.

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

**INCOME STATEMENT – PROPERTY TRUST  
FOR THE HALF YEAR ENDED 31 DECEMBER 2007**

---

	Note	31 Dec 2007	31 Dec 2006 \$
		<hr/>	<hr/>
Revenues	2	20,545	20,130
Expenses	3	(5,098)	(7,645)
		<hr/>	<hr/>
<b>Profit before income tax</b>		15,447	12,485
Income tax expense	1	-	-
		<hr/>	<hr/>
<b>Profit for the half year</b>		<u>15,447</u>	<u>12,485</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 2007**

	Notes	31 Dec 2007 \$	30 Jun 2007 \$
<b>Current Assets</b>			
Cash and cash equivalents	4	45,529	49,256
Trade and other receivables	5	424	479
Other assets	6	819	-
<b>Total Current Assets</b>		46,772	49,735
<b>Non Current Assets</b>			
Property, plant & equipment	7	761,960	761,960
<b>Total Non-Current Assets</b>		761,960	761,960
<b>Total Assets</b>		808,732	811,695
<b>Current Liabilities</b>			
Trade and other payables	8	25,111	43,521
<b>Total Current Liabilities</b>		25,111	43,521
<b>Total Liabilities</b>		25,111	43,521
<b>Net Assets</b>		783,621	768,174
<b>Unitholders' Equity</b>			
Contributed Equity		487,314	487,314
Retained Earnings		15,447	-
Asset Revaluation Reserve		280,860	280,860
<b>Total Unitholders' Equity</b>		783,621	768,174

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 2007**

**2006**

	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>

**2007**

	Note	Contributed Equity \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2007		487,314	-	280,860	768,174
Profit attributable to growers		-	15,447	-	15,447
<b>Balance at 31 December 2007</b>		<b>487,314</b>	<b>15,447</b>	<b>280,860</b>	<b>783,621</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 2007**

	<b>31 Dec 2007</b>	<b>31 Dec 2006</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers	40,104	39,318
Payments to suppliers	(7,735)	(116)
Interest received	493	471
<b>Net cash inflow from operating activities</b>	<b>32,862</b>	<b>39,673</b>
<b>Cash flows from financing activities</b>		
Distributions of profits to growers	(36,589)	(28,703)
<b>Net cash outflow from financing activities</b>	<b>(36,589)</b>	<b>(28,703)</b>
<b>Net Increase in Cash and cash equivalents</b>	<b>(3,727)</b>	<b>10,970</b>
Cash and cash equivalents at beginning of financial period	49,256	37,960
<b>Cash and cash equivalents at end of financial period</b>	<b>45,529</b>	<b>48,930</b>

**NOTES TO THE CASH FLOW STATEMENT**

**Reconciliation of Cash and cash equivalents**

Cash and cash equivalents 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	45,529	48,930
--------------	--------	--------

**Reconciliation of cash flow from operating activities with profit for the half year**

Profit for the half year	15,447	12,485
Changes in assets and liabilities		
Decrease/(Increase) in receivables	55	(278)
(Increase) in other assets	(819)	(976)
(Decrease)/Increase in payables	(1,873)	8,783
Increase in income in advance	20,052	19,659
<b>Net cash flow from operating activities</b>	<b>32,862</b>	<b>39,673</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**

---

### **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 2007 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 and cash equivalents**

For the purpose of the cash flow statement, cash and cash equivalents 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.

#### **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 2007 \$</b>	<b>31 Dec 2006 \$</b>
<b>2. REVENUE</b>		
<b>Operating activities</b>		
- rent	20,052	19,659
- interest	493	471
<b>Total revenue</b>	20,545	20,130
<b>3. PROFIT FOR THE PERIOD</b>		
<b>Profit before income tax has been determined after:</b>		
<b>Expenses:</b>		
Rates	819	976
Bank Fees	195	194
Compliance Costs	1,910	1,750
Consultants	-	3,000
Remuneration of auditor		
- audit or review	1,800	1,725
Water	374	-
	5,098	7,645
	<b>31 Dec 2007 \$</b>	<b>30 Jun 2007 \$</b>
<b>4. CASH AND CASH EQUIVALENTS</b>		
Cash in Trust bank account	45,529	49,256
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
GST receivable	424	479
	424	479
<b>6. OTHER ASSETS</b>		
<b>Current</b>		
Prepayments	819	-
	819	-

**COWRA CROSSING VINEYARD PROJECT  
AND PROPERTY TRUST**

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

	<b>31 Dec 2007 \$</b>	<b>30 Jun 2007 \$</b>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Freehold land – at fair value	761,960	761,960
Total property, plant and equipment	761,960	761,960
<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. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Other creditors	5,059	6,932
Income in advance	20,052	36,589
	25,111	43,521

**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**

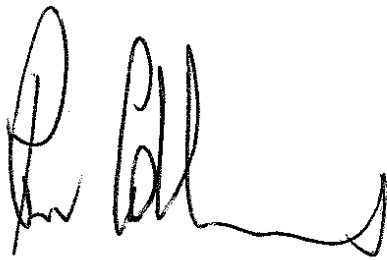
---

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 2001;
- (b) give a true and fair view of the projects financial position as at 31 December 2007 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: 3 March 2008

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



CHARTERED  
ACCOUNTANTS

ABN 71 502 156 733

We have reviewed the accompanying interim financial report of Cowra Crossing Vineyard Property Trust, which comprises the interim balance sheet as at 31 December 2007, income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration of the responsible entity.

#### *Directors' Responsibility for the Financial Report*

The directors of the responsible entity are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the interim financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001. As auditor of Cowra Crossing Vineyard Property Trust, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted under Australian Auditing Standards and consequently does not enable us to obtain assurance that we become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion.

#### *Statement of continued independence*

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

#### *Conclusion*

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 Property Trust is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of Cowra Crossing Vineyard Property Trust financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- b. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Nexia Court & Co  
Chartered Accountants

Sydney  
Dated: 4 March 2008

Robert Mayberry  
Partner

#### Partners

Stephen J Rogers  
Ian D Stone  
Paul W Lenton  
Neil R Hillman  
Stephen W Davis  
David M Gallery  
Robert A McGuinness  
Kirsten Taylor-Martin  
Andrew S Hoffmann  
Graeme J Watman  
David R Cust  
Craig J Wilford  
Sean P Urquhart  
Robert Mayberry



**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**

Nexia Court & Co Chartered Accountants  
Australia Square  
Level 29, 264 George Street  
Sydney NSW 2000

**Project Location**

1697 North Logan Road  
BILLIMARI NSW 2804

**Project Administration**

Blaxland Vineyards Limited  
PO Box 737  
MAITLAND NSW 2320