

ST MAGNUS
VINEYARD PROPERTY TRUST
ARSN 091 135 116

Report for the half-year
ended 31 December 2008

Managed by
Blaxland Vineyards Limited
ABN 61 067 514 792

ST MAGNUS VINEYARD PROPERTY TRUST

CONTENTS

Directors' Report for the Half-Year	2-4
Directors' Declaration	5
Auditor's Independence Declaration	6
Income Statement	7
Balance Sheet	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes to and Forming Part of the Financial Statements	11-14
Independent Review Report	15
Directory	16

ST MAGNUS VINEYARD PROPERTY TRUST
DIRECTORS' REPORT FOR THE HALF-YEAR
ENDED 31 DECEMBER 2008

Blaxland Vineyards Limited (the Responsible Entity) submits the financial statements of the Trust for the half-year ended 31 December 2008.

Directors

The following persons held office as directors of the Responsible Entity at the date of this report, and at all times during and since the end of the half-year unless otherwise stated.

Neil R. MacKenzie - Chairman

Ronald M. Collins

Philip J. Slee

Matthew J. Alexander (appointed 14 November 2008)

Luke A. Rolley (appointed 14 November 2008)

Financial Highlights

The Trust recorded neither a profit nor a loss for the half year under review.

Review of Operations

The trust owns a 119.2 hectare property at Birdwood which was acquired in May 2000 in connection with the St Magnus Vineyard Project Prospectus on which Growers have developed their vineyard allotments. The property also has a 230 megalitre dam and rights to bore water under the property.

The Trust has borrowings of \$1,000,000 (2007: \$1,000,000), which have been used to fund a frost protection system. This loan is on an "interest only" basis and it is not proposed to repay the principal in the foreseeable future.

The Trustee is leasing the property to growers through individual allotment agreements giving the growers rights to operate a vineyard on their allotments at an annual rent of \$36,300 (2007 \$30,150) per year. The funds will be used to maintain the Trust, the Trust's property and pay a fee to the Manager.

The property was valued in January 2008 by Colin Gaetjens Pty Limited who are experts in the valuation of wine industry assets. The valuation totalled \$6,750,000 which is equivalent to \$27,893 per unit. This includes the Growers interest in the vineyard. The land without the Growers improvements has been valued at \$1,750,000 or \$7,231 per unit. Copies of the valuation are available on request.

Principal Activities

The principal activities of the Trust are the ownership and management of a 97 hectare vineyard in the Adelaide Hills near Birdwood South Australia.

Distributions Paid

During the period under review, there were no distributions made to unit holders.

Significant Changes in State of Affairs

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

ST MAGNUS VINEYARD PROPERTY TRUST
DIRECTORS' REPORT FOR THE HALF-YEAR
ENDED 31 DECEMBER 2008

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 2008 that has significantly affected or may significantly affect:

- a) the operations, in the financial years subsequent to 31 December 2008, of the economic entity constituted by the St Magnus Vineyard Property Trust;
- b) the result of those operations; or
- c) the state of affairs, in financial years subsequent to 31 December 2008, of the economic entity.

Future Developments

At the time of writing this report, the whole vineyard had been developed and planted. We do not envisage acquiring further properties.

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.

Interests Issued

During the half year there were no units issued in the Trust. At 31 December 2008 there were 242 unit holders in the Trust.

Fees Paid to the Responsible Entity

During the half year under review \$10,723 (2007:\$ 10,161) was credited to Blaxland Vineyards Limited as fees to manage the Trust. These funds had been received by St Magnus Vineyard Property Trust from growers by way of land rental. These funds were expensed in the management of the Trust. Blaxland Vineyards Limited or its associates holds 2 units in 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.

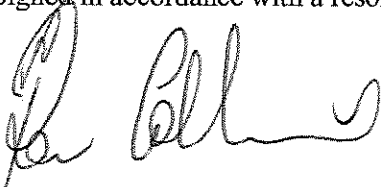
The Responsible Entity was not a party to any such proceedings during the period.

ST MAGNUS VINEYARD PROPERTY TRUST
DIRECTORS' REPORT FOR THE HALF-YEAR
ENDED 31 DECEMBER 2008

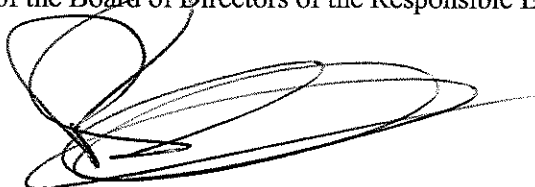
Auditor's Independence Declaration

The auditor's independence declaration is set out on page 6 and forms part of the director's report for the financial period ended 31 December 2008.

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



Ronald M. Collins
Director



Philip J. Slee
Director

Dated: 10th March 2009

ST MAGNUS VINEYARD PROPERTY TRUST

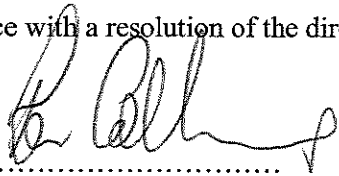
DIRECTORS' DECLARATION

The directors of Blaxland Vineyards Limited, the Responsible Entity of St Magnus Vineyard Property Trust, declare that:

1. The financial statements and notes, as set out on pages 7 to 14, are in accordance with the Corporations Act 2001, including :
 - a) complying with Accounting Standard AASB134: Interim Financial Reporting and the Corporations Regulations 2001; and
 - b) giving a true and fair view of the Trust's financial position as at 31 December 2008 and its performance for the half-year ended on that date.
2. There are reasonable grounds to believe that the Trust will be able to pay its debts as and when they become due and payable.


Signed in accordance with a resolution of the directors of Blaxland Vineyards Limited.

Director



.....
Ronald M. Collins

Director



.....
Philip J. Slee

Dated: ^{10th} March 2009

NEXIA COURT & CO



CHARTERED
ACCOUNTANTS

ABN 71 502 156 733

ST MAGNUS VINEYARD PROPERTY TRUST

AUDITORS' INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

To the directors of the responsible entity of St Magnus 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 2008 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: 13 March 2009

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 Wilford
Sean P Urquhart
Robert Mayberry
Russell Reid

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.

ST MAGNUS VINEYARD PROPERTY TRUST

INCOME STATEMENT

FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	Note	31 December 2008 \$	31 December 2007 \$
Revenue	2	65,703	62,625
Other Expenses	3	(20,507)	(17,974)
Finance Costs	3	(45,196)	(44,651)
Profit before income tax		-	-
Income tax expense	1	-	-
Profit for the half year		-	-

The accompanying notes form part of these financial statements

ST MAGNUS VINEYARD PROPERTY TRUST

**BALANCE SHEET
AS AT 31 DECEMBER 2008**

	Note	31 December 2008 \$	30 June 2008 \$
CURRENT ASSETS			
Cash and cash equivalents	4	20,793	6,163
Trade and other receivables	5	3,926	244
Other assets	6	<u>5,856</u>	<u>552</u>
TOTAL CURRENT ASSETS		<u>30,575</u>	<u>6,959</u>
NON CURRENT ASSETS			
Trade and other receivables	5	1,005,277	1,005,277
Investment property	7	<u>1,790,800</u>	<u>1,790,800</u>
TOTAL NON CURRENT ASSETS		<u>2,796,077</u>	<u>2,796,077</u>
TOTAL ASSETS		<u>2,826,652</u>	<u>2,803,036</u>
CURRENT LIABILITIES			
Trade and other payables	8	17,702	12,236
Deferred revenue	9	<u>18,150</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>35,852</u>	<u>12,236</u>
NON CURRENT LIABILITIES			
Interest-bearing liabilities	10	<u>1,000,000</u>	<u>1,000,000</u>
TOTAL NON CURRENT LIABILITIES		<u>1,000,000</u>	<u>1,000,000</u>
TOTAL LIABILITIES		<u>1,035,852</u>	<u>1,012,236</u>
NET ASSETS		<u>1,790,800</u>	<u>1,790,800</u>
EQUITY			
Contributed Equity		<u>1,790,800</u>	<u>1,790,800</u>

The accompanying notes form part of these financial statements

ST MAGNUS VINEYARD PROPERTY TRUST

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

2007		
	Contributed Equity \$	Total \$
Balance at 1 July 2007	1,790,800	1,790,800
Profit attributable to unitholders	-	-
Balance at 31 December 2007	1,790,800	1,790,800
2008		
	Contributed Equity \$	Total \$
Balance at 1 July 2008	1,790,800	1,790,800
Profit attributable to unitholders	-	-
Balance at 31 December 2008	1,790,800	1,790,800

The accompanying notes form part of these financial statements

ST MAGNUS VINEYARD PROPERTY TRUST

**CASH FLOW STATEMENT FOR THE
HALF-YEAR ENDED 31 DECEMBER 2008**

	31 Dec 2008	31 Dec 2007
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	84,929	35,475
Payment to suppliers	(33,203)	-
Interest paid	(37,096)	(35,153)
Net cash from operating activities	14,630	322
CASH FLOW FROM INVESTING ACTIVITIES		
Repayment from related party	-	7,000
Net cash from investing activities	-	7,000
Net increase in cash and cash equivalents	14,630	7,322
Cash and cash equivalents at beginning of financial period	6,163	2,518
Cash and cash equivalents at end of financial period	20,793	9,840

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	20,793	9,840
--------------	--------	-------

Reconciliation of cash from operating activities

Profit for the half year	-	-
Changes in assets and liabilities		
(Increase)/ Decrease in current receivables	(3,682)	57,319
Increase/(Decrease) in current payables	5,466	(79,842)
Increase in prepayments	(5,304)	(7,155)
Decrease in non current receivables	-	15,117
Increase in income in advance	18,150	14,883
Net cash from operating activities	14,630	322

The accompanying notes form part of these financial statements

ST MAGNUS VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

1. SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

St Magnus Vineyard Property Trust (the 'Trust') is a registered managed investment scheme under the Corporations Act 2001. The half-year financial report for the Trust is for the six months ended 31 December 2008.

B. STATEMENT OF COMPLIANCE

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 2008 and any public announcements made by the Trust during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The financial statements were approved by the Board of Directors on 10 March 2009.

C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies have been consistently applied by the Trust 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:

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.

Income Tax

Under current income tax legislation, the Trust is not liable to income tax provided its taxable income is fully distributed to unitholders.

Investment Property

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.

ST MAGNUS VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF- YEAR ENDED 31 DECEMBER 2008

1. SIGNIFICANT ACCOUNTING POLICIES (contd)

Trade and other payables

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.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

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.

	31 Dec 2008 \$	31 Dec 2007 \$
2. REVENUE		
- rent from growers	18,150	15,125
- loan charges frost system	47,553	47,500
Total revenue	65,703	62,625
3. EXPENSES		
Commercial bill charges	8,100	9,498
Interest expense	37,096	35,153
Management fees	10,723	10,161
Compliance Committee fees	1,750	1,750
Rates	4,491	4,350
Remuneration of auditor - audit	2,175	1,577
Remuneration of auditor - other	930	-
Other	438	136
	65,703	62,625

ST MAGNUS VINEYARD PROPERTY TRUST

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE HALF- YEAR ENDED 31 DECEMBER 2008**

	31 Dec 2008 \$	30 Jun 2008 \$
4. CASH AND CASH EQUIVALENTS		
Cash in Custodial bank account	20,793	6,163
5. TRADE AND OTHER RECEIVABLES		
Current		
Trade receivables	-	-
Other receivables	3,926	244
	3,926	244
Non Current		
Trade receivables	1,005,277	1,005,277
6. OTHER ASSETS		
Current		
Prepayments	5,856	552
7. INVESTMENT PROPERTY	31 Dec 2008 \$	30 Jun 2008 \$
Freehold land – at fair value	1,790,800	1,790,800
An independent valuation was performed by Colin Gaetjens, Wine Industry Valuer F.A.P.I (Val, P&M) R.E.I.V. (Aust) A.R.E.I. in February 2007. The property inclusive of the land on an unimproved basis and buildings was valued at \$1,750,000. The board has not adopted the new value, as the difference of \$40,800 is considered immaterial.		
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	17,702	12,236
9. DEFERRED INCOME		
Income in advance	18,150	-

ST MAGNUS VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2008

	31 Dec 2008 \$	30 Jun 2008 \$
10. INTEREST BEARING LIABILITIES		
Current		
Non-Current		
Bank Loans – Secured	<u>1,000,000</u>	<u>1,000,000</u>
This is fully secured by the real estate owned by the Trust.		

11. RELATED PARTY TRANSACTIONS

1. The Responsible Entity and or their associates hold 14,800 units in the Trust.
2. Management fee charges for Blaxland Vineyards Limited for the half-year ended 31 December 2008 have been accrued for \$10,723.

12. DISTRIBUTIONS

There were no distributions made to unitholders for the half-year ended 31 December 2008.

13. SEGMENT REPORTING

The Trust operates in the viticultural industry of Australia.

14. THE PROPERTY TRUST

The St Magnus Vineyard Property Trust (ARSN 091 135 116) located at Adelaide Mannum Road Birdwood SA 5234 is a Managed Investment Scheme for the which the Responsible Entity is Blaxland Vineyards Limited (ABN 61 067 514 792). The registered address and address for administration purposes is 493 High Street Maitland NSW 2320.

INDEPENDENT REVIEW REPORT TO THE RESPONSIBLE ENTITY OF ST MAGNUS VINEYARD PROPERTY TRUST

We have reviewed the accompanying interim financial report of St Magnus Vineyard Property Trust, which comprises the interim balance sheet as at 31 December 2008, 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.

Auditors' 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 Interim and Other Financial Reports 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 2008 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 auditors of St Magnus 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 St Magnus Vineyard Property Trust is not in accordance with the Corporations Act 2001 including:

- a. giving a true and fair view of St Magnus Vineyard Property Trust financial position as at 31 December 2008 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: 13 March 2009



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
Russell Reid

ST MAGNUS VINEYARD PROPERTY TRUST

DIRECTORY

Responsible Entity

Blaxland Vineyards Limited

Registered Office:

493 High Street

Maitland, NSW, 2320

Phone: (02) 4934 7622

Directors of the Responsible Entity

Neil R. MacKenzie

Ronald M. Collins

Philip J. Slee

Matthew J. Alexander

Luke A. Rolley

Independent Accountants and Auditors of the Project

Nexia Court & Co Chartered Accountants

Australia Square

Level 29, 264 George Street

Sydney NSW 2000

Property Location

Adelaide Mannum Road

BIRDWOOD SA 5234

Property Trust Administration

Blaxland Vineyards Limited

PO Box 737

MAITLAND NSW 2320