

TANUNDA HILL
VINEYARD PROPERTY TRUST

ARSN 104 062 919

Report for the half-year
ended 31 December 2009

Managed by
Blaxland Vineyards Limited
ABN 61 067 514 792

TANUNDA HILL VINEYARD PROPERTY TRUST

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TANUNDA HILL VINEYARD PROPERTY TRUST

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

Blaxland Vineyards Limited (the Responsible Entity) submit the financial statements of the Trust for the half-year ended 31 December 2009.

Directors

The following persons held offices 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
Luke A. Rolley

Principal Activities

The principal activities of the Trust are the ownership of a 129.8 hectare property in the Barossa Valley near Tanunda, South Australia, which has been acquired for use in the Tanunda Hill Vineyard Project Stage 2.

The trust also owns 140,000 shares in Barossa Infrastructure Limited (BIL) which entitles it to 110 megalitres of irrigation water annually.

Financial Highlights

The Trust recorded a profit of \$1,228 (2008: \$3,167) for the half-year under review.

Review of Operations

The Tanunda Hill Vineyard Property Trust continued the ownership and management of the Tanunda Hill Vineyard Property.

The Responsible Entity is leasing the property to growers through individual allotment agreements giving the growers rights to operate a vineyard on their allotments, at an annual cost of \$1,350 (including GST) per allotment per year. The funds will be used to maintain the Trust, the Trust's property and pay a fee to the Responsible Entity.

Distributions Paid

During the period under review, there was no distribution paid to unit holders.

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 2009 that has significantly affected or may significantly affect:

- a) the operations, in the financial years subsequent to 31 December 2009, of the economic entity constituted by the Tanunda Hill Vineyard Property Trust;
- b) the result of those operations; or
- c) the state of affairs, in financial years subsequent to 31 December 2009 of the economic entity.

Future Developments

There are no developments proposed which would affect the operation of the Trust and the Directors do not envisage acquiring any further properties or other assets within the Trust.

TANUNDA HILL VINEYARD PROPERTY TRUST

DIRECTORS' REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

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 units or interests in the Trust were granted during or since the end of the period and there were no options outstanding at the date of this report.

Interests Issued

During the half year to December 2009, there were no units issued in or redeemed from the Trust. At 31 December 2009 there were 1,859,000 units issued in the Trust.

Fees Paid to the Responsible Entity

During the half year under review no fees were paid to Blaxland Vineyards Limited to manage the Trust.

Number of Interests held by the Responsible Entity

The Responsible Entity and its associates own 607,500 units in the Property 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.

Auditor's Independence Declaration

The auditor's independence declaration is set out on page 6 and forms part of the directors' report for the financial period ended 31 December 2009.

Non-Audit Services

During the period, Nexia Court & Co, the trust's auditor, has performed certain other services in addition to their statutory audit duties.

The board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 as the non-audit services

TANUNDA HILL VINEYARD PROPERTY TRUST

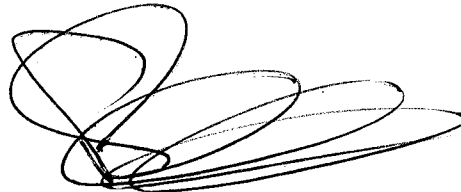
**DIRECTORS' REPORT FOR THE HALF-YEAR
ENDED 31 DECEMBER 2009**

provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the company, acting as an advocate for the company or jointly sharing the risks and rewards. Fees paid to the auditor of the trust were paid by the Responsible Entity.

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



Neil R. MacKenzie
Director
Dated: 11 March 2010



Philip J. Slee
Director

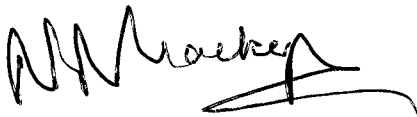
TANUNDA HILL VINEYARD PROPERTY TRUST

DIRECTORS' DECLARATION

The directors of Blaxland Vineyards Limited, the Manager of Tanunda Hill 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 2009 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.



.....
Neil R. MacKenzie
Director



.....
Philip J. Slee
Director

Dated 11 March 2010

NEXIA COURT & CO



CHARTERED
ACCOUNTANTS

ABN 71 502 156 733

Auditor independence declaration under Section 307C of the Corporations Act 2001

To the directors of the responsible entity of Tanunda Hill Vineyard Property Trust:

I declare that, to the best of my knowledge and belief, in relation to the review for the six month period ended 31 December 2009 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.

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Nexia Court & Co
Chartered Accountants

Sydney

Dated: 15 MARCH, 2010

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

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NETWORK OF INDEPENDENT ACCOUNTING
AND CONSULTING FIRMS.



LIABILITY LIMITED BY A
SCHEME APPROVED UNDER
PROFESSIONAL STANDARDS
LEGISLATION.

TANUNDA HILL VINEYARD PROPERTY TRUST

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

	Note	31 Dec 2009 \$	31 Dec 2008 \$
Continuing operations			
Revenues	2	155,017	175,614
Expenses	3	(153,789)	(172,447)
		<hr/>	<hr/>
Profit before income tax		1,228	3,167
Income tax		<hr/> -	<hr/> -
Profit after income tax for the half year attributable to unitholders		<hr/> <u>1,228</u>	<hr/> <u>3,167</u>
Other Comprehensive Income		-	-
Income tax relating to other comprehensive income		-	-
Net other comprehensive income for the half year after income tax		<hr/> -	<hr/> -
Total comprehensive income for the half year attributable to unitholders		<hr/> <u>1,228</u>	<hr/> <u>3,167</u>

The accompanying notes form part of these financial statements

TANUNDA HILL VINEYARD PROPERTY TRUST

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009**

	Note	31 Dec 2009 \$	30 Jun 2009 \$
CURRENT ASSETS			
Cash and cash equivalents	4	40,025	29,491
Trade and other receivables	5	<u>47,500</u>	<u>934</u>
TOTAL CURRENT ASSETS		<u>87,525</u>	<u>30,425</u>
NON CURRENT ASSETS			
Other financial assets	6	140,000	140,000
Investment property, plant and equipment	7	<u>1,853,516</u>	<u>1,878,224</u>
TOTAL NON CURRENT ASSETS		<u>1,993,516</u>	<u>2,018,224</u>
TOTAL ASSETS		<u>2,081,041</u>	<u>2,048,649</u>
CURRENT LIABILITIES			
Trade and other payables	8	<u>51,466</u>	<u>20,302</u>
TOTAL CURRENT LIABILITIES		<u>51,466</u>	<u>20,302</u>
TOTAL LIABILITIES		<u>51,466</u>	<u>20,302</u>
NET ASSETS		<u>2,029,575</u>	<u>2,028,347</u>
EQUITY		<u>2,029,575</u>	<u>2,028,347</u>

The accompanying notes form part of these financial statements

TANUNDA HILL VINEYARD PROPERTY TRUST

**STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2009**

2008	Growers' Equity \$	Retained Earnings \$	Total \$
Balance at 1 July 2008	1,859,000	173,979	2,032,979
Total comprehensive income attributable to unitholders	-	3,167	3,167
Balance at 31 December 2008	1,859,000	177,146	2,036,146
2009			
	Growers' Equity \$	Retained Earnings \$	Total \$
Balance at 1 July 2009	1,859,000	169,347	2,028,347
Total comprehensive income attributable to unitholders	-	1,228	1,228
Balance at 31 December 2009	1,859,000	170,575	2,029,575

The accompanying notes form part of these financial statements

TANUNDA HILL VINEYARD PROPERTY TRUST

**CASH FLOW STATEMENT FOR THE
HALF-YEAR ENDED 31 DECEMBER 2009**

	31 Dec 2009	31 Dec 2008
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	107,500	181,007
Payment to suppliers	(84,505)	(117,927)
Interest received	17	21
Net cash from operating activities	23,012	63,101
CASH FLOWS FROM FINANCING ACTIVITIES		
Distributions paid	(12,478)	-
Repayment of loan to related party	-	(39,771)
Net cash from financing activities	(12,478)	(39,771)
Net increase in cash and cash equivalents	10,534	23,330
Cash and cash equivalents at beginning of financial period	29,491	2,590
Cash and cash equivalents at end of financial period	40,025	25,920

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	40,025	25,920
Reconciliation of cash from operating activities		
Profit for the half year	1,228	3,167
Amortisation of non current assets	24,708	24,708
Changes in assets and liabilities		
Increase in receivables	(46,566)	(162,084)
Increase in prepayments	-	(2,332)
Increase in payables	43,642	25,865
Increase in income in advance	-	173,777
Net cash from operating activities	23,012	63,101

The accompanying notes form part of these financial statements

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

1. SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Tanunda Hill Vineyard Property Trust (the 'Trust') is a registered managed investment scheme under the Corporations Act 2001. The half-year financial report of the Trust is for the six months ended 31 December 2009.

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. Compliance with AASB 134: Interim Financial Reporting ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting. The half year report does not include notes of the type normally included in an annual financial report, so it is recommended that this financial report be read in conjunction with the financial report for the year ended 30 June 2009 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 11 March 2010.

C. BASIS OF PREPARATION

The basis of preparation and accounting policies have been consistently applied by the trust and are consistent with those of the previous financial year and corresponding half-year, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The trust has adopted all of the new and revised standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to the operations and are effective for the current reporting period:

AASB 8: Operating Segments

AASB101: Presentation of Financial Statements

The adoption of these new and revised Standards has resulted in no major changes to the trust's accounting policies.

The following specific policies have been applied consistently unless otherwise stated:

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 brought to account at cost. All real property held by the Trust must be valued at intervals of not less than three years and the Trustee may arrange to have any real property valued at any time if it or the manager considers it is in the interests of the unitholders.

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

1. SIGNIFICANT ACCOUNTING POLICIES (contd)

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 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.

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.

	31 Dec 2009	31 Dec 2008
	\$	\$
2. REVENUE		
- Rent and water fees from growers	155,000	175,593
- Interest income	17	21
Total revenue	155,017	175,614
3. EXPENSES		
Cost of sales	115,000	135,125
Amortisation	24,708	24,708
Compliance Committee fees	1,750	1,750
Management fees	1,150	1,150
Rates	7,868	7,269
Remuneration of auditor		
- audit	2,900	1,420
- other	-	930
Other	413	95
	153,789	172,447

TANUNDA HILL VINEYARD PROPERTY TRUST

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE
HALF-YEAR ENDED 31 DECEMBER 2009**

	31 Dec 2009 \$	30 Jun 2009 \$
4. CASH AND CASH EQUIVALENTS		
Cash in Trust bank account	40,025	29,491
	40,025	29,491
5. TRADE AND OTHER RECEIVABLES		
Trade receivables	32,500	-
Other receivables	15,000	-
GST receivable	-	934
	47,500	934
	47,500	934
6. OTHER FINANCIAL ASSETS		
Non current		
Investment in BIL scheme	140,000	140,000
Refer valuation comment in Note 7		
7. INVESTMENT PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	1,680,564	1,680,564
Equipment	658,011	658,011
Less Accumulated Amortisation	(485,059)	(460,351)
Total investment property, plant and equipment	1,853,516	1,878,224
A valuation was performed by R.G.C. Barnden, Certified Practising Valuer, FAPI, AI.Arb.A. in June 2009 . The market value of the land and the investment in the BIL Scheme was assessed at \$2,525,000. The directors of the Trustee have not adopted the new valuation, as they believe it would not be prudent to do so in the current economic climate.		
8. TRADE AND OTHER PAYABLES		
Current		
Other creditors	48,966	7,824
Distributions to unitholders	-	12,478
GST Payable	2,500	-
	51,466	20,302

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2009

9. RELATED PARTY TRANSACTIONS

The Trust transacts with Blaxland Vineyards Limited in its capacity as responsible entity. Blaxland Vineyards Limited derives no net income from those transactions.

10. DISTRIBUTIONS

There were no distributions made to unitholders for the half-year ended 31 December 2009.

11. SEGMENT REPORTING

The adoption of the revised standard AASB 8: Operating Segments has not impacted upon the trust's segment disclosures, as under both the old and the revised standards the trust's only operating segment is in the viticultural industry of Australia.

12. THE PROPERTY TRUST

The Tanunda Hill Vineyard Project Stage 2 (ARSN 104 063 238) located at Les Dunkley Road Sheoak Log Nuriootpa SA 5355 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 26 Greenock Road Nuriootpa SA 5355.

INDEPENDENT REVIEW REPORT

To the Responsible Entity of Tanunda Hill Vineyard Property Trust

We have reviewed the accompanying interim financial report of Tanunda Hill Vineyard Property Trust, which comprises the interim Statement of Financial Position as at 31 December 2009, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows 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 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 2009 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 Tanunda Hill 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 an interim financial report consists of making inquiries, 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 in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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INDEPENDENT REVIEW REPORT (Continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Tanunda Hill Vineyard Property Trust is not in accordance with the Corporations Act 2001, including:

- a. giving a true and fair view of the trust's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- b. complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Nexia Court & Co

Nexia Court & Co
Chartered Accountants

Sydney

Dated: 15 MARCH, 2010

Robert Mayberry

Robert Mayberry
Partner

TANUNDA HILL VINEYARD PROPERTY TRUST

DIRECTORY

Responsible Entity

Blaxland Vineyards Limited

Registered Office:
26 Greenock Road
Nuriootpa SA 5355
Phone: (08) 8562 2815

Directors of the Responsible Entity

Neil R. MacKenzie
Ronald M. Collins
Philip J. Slee
Matthew J. Alexander
Luke A. Rolley

Custodian

Blaxland Vineyards Limited
26 Greenock Road
Nuriootpa SA 5355
Phone: (08) 8562 2815

Independent Accountants and Auditors of the Project

Nexia Court & Co Chartered Accountants
Australia Square
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Project Location

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NURIOOTPA SA 5355

Project Administration

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