

**COWRA CROSSING
VINEYARD PROJECT
AND PROPERTY TRUST
ARSN 099 233 271**

**Report on the Project at
30 June 2010**

**Managed by
Blaxland Vineyards Limited
ACN 067 514 792**

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

CONTENTS

Responsible Entity's Report - Project.....	2
Auditors' Independence Declaration - Project.....	6
Directors' Declaration – Project.....	7
Statement of Comprehensive Income – Project.....	8
Statement of Financial Position – Project.....	9
Statement of Changes in Equity – Project.....	10
Statement of Cash Flows – Project.....	11
Notes to and Forming Part of the Financial Statements – Project.....	12
Independent Auditors' Report – Project.....	21
Responsible Entity's Report – Property Trust.....	23
Auditors' Independence Declaration – Property Trust.....	27
Directors' Declaration – Property Trust.....	28
Statement of Comprehensive Income – Property Trust.....	29
Statement of Financial Position – Property Trust.....	30
Statement of Changes in Equity – Property Trust.....	31
Statement of Cash Flows – Property Trust.....	32
Notes to and Forming Part of the Financial Statements – Property Trust.....	33
Independent Auditors' Report – Property Trust.....	42
Directory.....	44

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

THE RESPONSIBLE ENTITY'S DIRECTORS' REPORT - PROJECT

Blaxland Vineyards Limited (the Responsible Entity) submits the Financial Statements of the Project for the year ended 30 June 2010. 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 financial year unless otherwise stated.

Neil R. MacKenzie	Age 55
BA(Hons), FCA	
Position	Non-executive Chairman.
Experience	Neil is a qualified Chartered Accountant with an honours degree in Business Studies. He joined Orlando Wyndham Group in 1991 as Finance Director before moving to Simeon Wines as Managing Director in 1994. He continued to build Simeon Wines to being the third largest publicly listed wine company until its merger with McGuigan Wines in 2002 and continues in undertaking a series of consulting assignments in the wine industry.
Special Responsibilities	Chairman
Ronald M. Collins	Age 65
BCom (Acct), BA	
Position	Executive director - marketing and company secretary
Experience	Ron Collins has considerable experience in the Australian finance and investment market including a number of years with Hill Samuel Australia Ltd. (now Macquarie Bank Ltd.) and 20 years running his own financial consulting business.
Special Responsibilities	Project development, sales and marketing.
Philip J. Slee	Age 63
Position	Executive director - administration
Experience	Philip Slee is a Chartered Accountant, specialising in the wine industry. He was previously Company Secretary of Brian McGuigan Wines Limited and Financial Controller and Company Secretary of Wyndham Estate Wines Limited, both publicly listed companies.
Special Responsibilities	Finance and administration.
Luke A. Rolley	Age 32
B.Ag.Sc	
Position	Executive director – viticulture
Experience	Luke Rolley has a degree in agricultural science with a focus on business management and marketing practical experience. He has been proactive in the wine industry by managing R&D projects, developing and managing vineyard projects, implementing new technologies into viticulture and working within the industry to create sustainable vineyard systems.
Special Responsibilities	Viticultural Management and Wine sales

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT - PROJECT

Matthew J. Alexander	Age 44
Position	Executive director -viticulture
Experience	Matt Alexander is a third generation horticulturist with over 20 years of horticultural and viticultural management experience. Matt is the Managing Director of Advanced Viticulture and Management Pty Ltd (AV&M), one of Australia's largest privately owned vineyard management companies with over 1500 hectares under management throughout Australia. AV&M currently manages a number of Blaxland's Vineyard projects as part of their overall portfolio.
Special Responsibilities	Viticultural Management

Financial Highlights

The Project discontinued operations from 2009 and was dormant in 2010. The property has been listed for sale but has not yet been sold. Accordingly, this year total revenue from the crop and crop insurance proceeds amounted to \$Nil (2009: \$89,288). Profit available for distribution after payment of costs amounted to \$55 (2009: \$487,323).

Review of Operations

As a result of a meeting of Growers held in 2009, Blaxland will continue to manage the project through till June 2014, whilst executing an exit strategy that will see the property sold and the Project and Trust liquidated and all capital available returned to Investors

Principal Activity

The principal activity of the Project is to grow and market grapes. However, without a grape sale agreement in place and the overall decline in market conditions, this has become unprofitable, and steps have been taken to sell the property whilst mothballing the operations. The Manager, in an effort to sell the property has arranged to remove the vineyard improvements. This will be funded from 2009 crop proceeds.

Distributions Paid

No distribution will be paid in relation to the 2010 crop (2009: \$NIL). The inability of the Project to pay a distribution is a reflection of the oversupply of chardonnay in the market .

Significant Changes in the State of the Affairs

A decision was taken in 2009 to mothball the vineyard and market the property using local Real Estate Agents. As the project has been discontinued and a decision made to remove the vineyard infrastructure, the accounts cannot be prepared on a going concern basis. The market value of the property as assessed by the independent valuer is above book value, but the directors have resolved to continue to record the property at book value as this is considered to be conservative.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT - PROJECT

After Balance Date Events

Efforts to sell the property commenced in late 2009, but no offers have been received to date. As a result the manager has arranged to remove the vineyard improvements. It is considered that the property will be more attractive to a greater range of buyers without the vineyard infrastructure.

Other than the significant matters discussed above, at the date of this report there is no other matter of circumstance which has arisen since 30 June 2010 that has significantly affected or may significantly affect:

- the operations of the Project;
- the results of those operations; or
- the state of affairs of the Project in subsequent financial years

Likely Developments

Blaxland as Responsible Entity and Manager of the Project has discontinued operations as the Project cannot in our opinion return to profitability. We are working towards a quick sale of the vineyard and termination of the Project.

Environmental Regulation

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

Options

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

Interests Issued

No grower interests were issued during the year. There were eleven interests held by the responsible entity or its associates at the end of the financial year. There were no withdrawals from the scheme during the year. There were 360 growers interests in the Project at the end of the financial year.

Fees Paid to the Responsible Entity

During the financial year \$Nil (2009: \$577,500) was paid to Blaxland Vineyards Limited to manage the vineyard and operate the Project.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 6.

Non-Audit Services

During the year Nexia Court & Co, the company's auditor, has performed certain other services in addition to their statutory 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 for the following reason:

The non-audit services 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 risk and rewards.

Fees paid to the auditor of the Project were paid by the Responsible Entity.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT - PROJECT

Meetings of Compliance Committee

During the financial year, 4 meetings of compliance committee personnel were held. All attended the required meetings. Attendances by each person during the year were as follows:

	Position on Committee	Number of compliance meetings held and attended
Edward Russell	Chairman	4
Peter McLean	Member	4
Philip Slee	Compliance Officer	4

Indemnification of Officers and Auditors

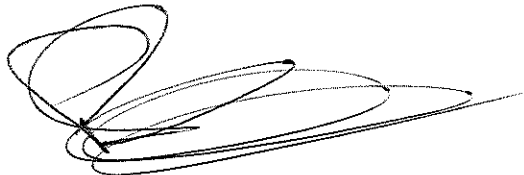
The Responsible Entity under its Articles of Association agrees to indemnify every director and officer of the Responsible Entity against liability incurred as a director or officer to the extent permitted by the Corporations Law. The Responsible Entity also agreed to indemnify every director, secretary, auditor and other officer of the Responsible Entity against any liability incurred in defending any legal proceedings. The Project does not provide any indemnification out of the Project's assets,

No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings. The Responsible Entity was not a party to any such proceedings during the year.

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



Neil R. MacKenzie
Director



Philip J. Slee
Director

Dated:  September 2010

**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 audit of the financial year ended 30 June 2010 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: 23 SEPTEMBER, 2010




COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST


DIRECTORS' DECLARATION - PROJECT

In the opinion of the directors of Blaxland Vineyards Limited, the Responsible Entity of Cowra Crossing Vineyard Project:

1. the financial statements and notes, set out on pages 8 to 20, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Project's financial position as at 30 June 2010 and of its performance, for the financial year ended on that date;
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).
3. there are reasonable grounds to believe that the Project 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 
.....
Neil R. MacKenzie

Director 
.....
Philip J. Slee

Dated  September 2010

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

**STATEMENT OF COMPREHENSIVE INCOME - PROJECT
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Discontinued operation			
Revenue	3	294	90,491
Expenses	4	239	577,814
Profit/ (Loss) before income tax		<u>55</u>	<u>(487,323)</u>
Income tax expense	2	<u>-</u>	<u>-</u>
(Loss)/Profit after income tax attributable to growers		<u>55</u>	<u>(487,323)</u>
Other Comprehensive Income		-	-
Income Tax relating to Other Comprehensive Income		-	-
Total Comprehensive Income attributable to growers		<u>55</u>	<u>(487,323)</u>

The accompanying notes form part of these financial statements.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

STATEMENT OF FINANCIAL POSITION - PROJECT AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents		102,451	39,120
Trade and other receivables	5	-	63,276
TOTAL CURRENT ASSETS		<u>102,451</u>	<u>102,396</u>
TOTAL ASSETS		<u>102,451</u>	<u>102,396</u>
CURRENT LIABILITIES			
Trade and other payables	6	12,540	12,540
TOTAL CURRENT LIABILITIES		<u>12,540</u>	<u>12,540</u>
TOTAL LIABILITIES		<u>12,540</u>	<u>12,540</u>
NET ASSETS		<u>89,911</u>	<u>89,856</u>
GROWERS' EQUITY		<u>89,911</u>	<u>89,856</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 YEAR ENDED 30 JUNE 2010**

2009			
	Note	Growers' Equity \$	Total \$
Balance at 1 July 2008		1,090,510	1,090,510
(Loss) attributable to growers		(487,323)	(487,323)
Distribution to growers		(513,331)	(513,331)
Balance at 30 June 2009		<u>89,856</u>	<u>89,856</u>
2010			
	Note	Growers' Equity \$	Total \$
Balance at 1 July 2009		89,856	89,856
Profit attributable to growers		55	55
Balance at 30 June 2010		<u>89,911</u>	<u>89,911</u>

The accompanying notes form part of these financial statements

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

**STATEMENT OF CASH FLOWS - PROJECT
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		63,277	543,513
Payment to suppliers		(240)	-
Interest received		294	1,202
Net cash from operating activities		63,331	544,715
CASH FLOW FROM FINANCING ACTIVITIES			
Payments to growers		-	(513,331)
Net cash from financing activities		-	(513,331)
Net increase in cash and cash equivalents		63,331	31,384
Cash and cash equivalents at beginning of financial year		39,120	7,736
Cash and cash equivalents at end of year		102,451	39,120

NOTES TO THE CASH FLOW STATEMENT

Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash at bank	102,451	39,120
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Reconciliation of cash from operating activities

Profit / (Loss) for the year	55	(487,323)
Change in current receivables	63,276	450,056
Change in current prepayments	-	577,500
Change in current payables	-	4,482
Net cash from operating activities	63,331	544,715

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. REPORTING ENTITY

Cowra Crossing Vineyard Project (the Project) is a registered managed investment scheme under the Corporations Act 2001. The financial report of the Project is for the year ended 30 June 2010.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Project complies with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

(b) Basis of accounting

The financial statements have not been prepared on a going concern basis as the purpose of the Project, to grow and market grapes, has now ceased. Accordingly, assets and liabilities have been valued at net realisable value, which is book value, so there is no resultant write down recorded in the financial statements of the Project. All costs of realisation will be borne by the Responsible Entity.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Project's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) 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.

(f) Income tax

The Project is not a taxable entity under the Income Tax Assessment Act 1936.

(g) 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.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(h) **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.

(i) **Trade and other creditors**

These amounts represent liabilities for services provided to the Project prior to the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) **Financial risk management**

Overview

The Project has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Project's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors of the manager has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Project, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the project's activities. The Project, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Project if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Project's receivables from customers.

Trade and other receivables

The Project's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Project's customer base, including the default risk of the industry and country in which customers operate, has less of an influence on credit risk.

The Board of Directors have established a credit policy under which each new customer is analysed individually for creditworthiness before the Project's standard payment and delivery terms and conditions are offered. The Project's review includes historical performance, when available, and where considered necessary, credit insurance is sought. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval from the Finance Director; these limits are reviewed annually. Customers that fail to meet the project's creditworthiness review may transact with the Project only if proper insurances are in place.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(j) Financial Risk Management (contd)

In the past all sales have been made to one customer. Management acknowledges this extreme concentration of credit risk is the nature of the business.

Goods are sold according to the sale agreement, where one third of the annual crop sold to a customer is paid on the 30 June following harvest and the final payment is made on 31 December following harvest. In 2010, all 2009 grape sales due were received.

The Project may establish an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.

Guarantees

No guarantees have been or will be provided by the Project.

Liquidity risk

Liquidity risk is the risk that the Project will not be able to meet its financial obligations as they fall due. The Project's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Project.

Typically the Project ensures that it has sufficient cash on demand to meet expected operational expenses for the year ahead, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Market risk

Market risk is the risk that changes in market prices will affect the Project's income.

The Project manages market risks by arranging prices annually in advance or through longer term fixed price contracts. In some cases longer term contracts (over 5 years) are written at weighted district average price which allows for changes in the market.

Currency risk

The Project is not directly exposed to currency risk. However as the wine industry is an export industry, its customers are affected by currency changes and this can influence pricing of the Project's products.

Interest rate risk

The project adopts a policy of ensuring that its exposure to changes in interest rates is minimised by changing to fixed rate borrowings when interest rates are volatile.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(j) Financial Risk Management (contd)

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below:

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and call deposits.

(k) Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impairment if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The carrying value is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The amount of the loss is recognized in the income statement.

(l) Revenue

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and trade and other discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably.

Interest income

Income is recognised as the interest accrues to the net carrying amount of the financial asset.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(m) Goods and services tax

Goods and services tax (GST) is paid and received by the members of the Project rather than the Project itself.

(n) New standards and Interpretations not yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 will become mandatory for the Project's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Project has not yet determined the potential effect of the standard.
- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for the government-related entities. The amendments, which will become mandatory for the Project's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Project's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

(o) Presentation of Financial Statements

The Project applies revised AASB 101 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Project presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings.

	2010	2009
	\$	\$
3. REVENUE - DISCONTINUED OPERATION		
- Grape sales	-	63,277
- Crop insurance proceeds	-	26,012
- Finance income ~ bank interest	294	1,202
TOTAL REVENUE	<u>294</u>	<u>90,491</u>

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

	2010	2009
	\$	\$
4. EXPENSES - DISCONTINUED OPERATION		
Vineyard Maintenance charges	-	577,502
Other	239	312
	239	577,814
 5. TRADE AND OTHER RECEIVABLES		
Current		
Trade debtors	-	63,276
 6. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	12,540	12,540
 7. RELATED PARTY TRANSACTIONS		
(a) Key Management Personnel		
Key management personnel in office during the financial year:		
Name	Position	
Ron Collins	Director of the Responsible Entity	
Philip Slee	Director of the Responsible Entity	
No compensation was paid by the Project to key management personnel during the year.		
(b) Transactions with Related Entities		
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
(i) Cowra Crossing Vineyard Project is a "Managed Investment Scheme" for which the "Responsible Entity" is Blaxland Vineyards Limited (ABN: 61 067 514 792) of 26 Greenock Road, Nuriootpa, SA, 5355.		
(ii) Fees retained by Blaxland Vineyards Limited after payment of vineyard maintenance costs during the year were \$Nil (2009: \$202,504).		
 8. SEGMENT REPORTING		
The Project operates in the viticultural industry of Australia.		

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

9. FINANCIAL INSTRUMENTS

Credit risk

Exposure to credit risk

The carrying amount of the group's financial assets represents the maximum credit exposure. The Project's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2010	2009
	\$	\$
Cash and cash equivalents	102,451	39,120
Trade and other receivables	-	63,276
	<hr/>	<hr/>
	102,451	102,396
	<hr/>	<hr/>

The Project's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amount	
	2010	2009
	\$	\$
Wholesale customers	-	63,276
Retail customers	-	-
End-user customers	-	-
	<hr/>	<hr/>
	-	63,276
	<hr/>	<hr/>

The Project's had no significant customer at 30 June 2009 (2009: \$63,276).

Impairment losses

None of the Project's receivables are past due (2009: \$21,412). The aging of the Project's trade receivables at the reporting date was:

	Gross	Impairment	Gross	Impairment
	2010	2010	2009	2009
	\$	\$	\$	\$
Not past due	-	-	41,864	-
Past due 0-30 days	-	-	21,412	-
Past due 31-120 days	-	-	-	-
More than one year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	63,276	-
	<hr/>	<hr/>	<hr/>	<hr/>

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

9. FINANCIAL INSTRUMENTS (contd)

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

30 June 2010

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Trade and other payables	12,540	(12,540)		(12,540)	-	-	-

30 June 2009

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Trade and other payables	12,540	(12,540)		(12,540)	-	-	-

Currency risk

Exposure to currency risk

There is no exposure to foreign currency risk at balance date

Interest rate risk

Profile

At reporting date the interest rate profile of the Project was:

	Carrying amount	
	2010 \$	2009 \$
Variable rate instruments		
Financial assets	102,451	39,120
	102,451	39,120

Fair value sensitivity analysis or fixed rate instruments

The Project does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS - PROJECT

9. FINANCIAL INSTRUMENTS (contd)

Fair Values

The fair values of financial assets and liabilities are equivalent to their carrying amount shown in the statement of financial position:

	2010 Carrying Amount \$	2010 Net Fair Value \$	2009 Carrying Amount \$	2009 Net Fair Value \$
Financial Assets				
Cash and cash equivalents	102,451	102,451	39,120	39,120
Trade and other receivables	-	-	63,276	63,276

Estimation of fair values

The methods used in determining the fair values of financial instruments are discussed in note 2.

10. THE PROJECT AND PROPERTY TRUST

The Cowra Crossing Vineyard Project and Property Trust (ARSN 099 233 271) located at 1697 North Logan Road Billimari NSW 2804 is a Managed Investment Scheme for the which the Responsible Entity is Blaxland Vineyards Limited (ABN 61 067 514 792). The registered address and the address for administration purposes is 26 Greenock Road, Nuriootpa, SA, 5355.

11. AUDITORS' REMUNERATION

Auditors of the project are remunerated by the manager, Blaxland Vineyards Limited.

INDEPENDENT AUDITORS' REPORT TO THE RESPONSIBLE ENTITY OF COWRA CROSSING VINEYARD PROJECT

Report on the Financial Report

We have audited the accompanying financial report of Cowra Crossing Vineyard Project, which comprises the statement of financial position as at 30 June 2010, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the responsible entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the 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. In note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditors' report was made.



Level 29, 264 George Street
Sydney, NSW 2000
P O Box H195
Australia Square NSW 1215
Telephone: 61 2 9251 4600
Fax: 61 2 9251 7138

Auditors' Opinion


In our opinion:

- (a) the financial report of Cowra Crossing Vineyard Project is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the project's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Without qualifying our opinion:

We draw attention to the basis of preparation of the financial report as set out in Note 2. As at 30 June 2010, the directors of the Responsible Entity have concluded that the Project is no longer a going concern and the financial statements for the year ended 30 June 2010 have been prepared on a liquidation basis.


Nexia Court & Co


Robert Mayberry
Partner

Sydney
Dated: 27 SEPTEMBER, 2010

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT – PROPERTY TRUST

Blaxland Vineyards Limited (the Responsible Entity) submits the Financial Statements of the Trust for the year ended 30 June 2010. The following persons held office as directors of the Responsible Entity at the date of this report and at all times during or since the end of the financial year unless otherwise stated.

Neil R. MacKenzie	Age 55
BA(Hons), FCA	
Position	Non-executive Chairman.
Experience	Neil is a qualified Chartered Accountant with an honours degree in Business Studies. He joined Orlando Wyndham Group in 1991 as Finance Director before moving to Simeon Wines as Managing Director in 1994. He continued to build Simeon Wines to being the third largest publicly listed wine company until its merger with McGuigan Wines in 2002 and continues in undertaking a series of consulting assignments in the wine industry.
Special Responsibilities	Chairman
Ronald M. Collins	Age 65
BCom (Acct), BA	
Position	Executive director - marketing and company secretary
Experience	Ron Collins has considerable experience in the Australian finance and investment market including a number of years with Hill Samuel Australia Ltd. (now Macquarie Bank Ltd.) and 20 years running his own financial consulting business.
Special Responsibilities	Project development, sales and marketing.
Philip J. Slee	Age 63
Position	Executive director - administration
Experience	Philip Slee is a Chartered Accountant, specialising in the wine industry. He was previously Company Secretary of Brian McGuigan Wines Limited and Financial Controller and Company Secretary of Wyndham Estate Wines Limited, both publicly listed companies.
Special Responsibilities	Finance and administration.
Luke A. Rolley	Age 32
B.Ag.Sc	
Position	Executive director – viticulture
Experience	Luke Rolley has a degree in agricultural science with a focus on business management and marketing practical experience. He has been proactive in the wine industry by managing R&D projects, developing and managing vineyard projects, implementing new technologies into viticulture and working within the industry to create sustainable vineyard systems.
Special Responsibilities	Viticultural Management

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT – PROPERTY TRUST

Matthew J. Alexander	Age 44
Position	Executive director – viticulture
Experience	Matt Alexander is a third generation horticulturist with over 20 years of horticultural and viticultural management experience. Matt is the Managing Director of Advanced Viticulture and Management Pty Ltd (AV&M), one of Australia's largest privately owned vineyard management companies with over 1500 hectares under management throughout Australia. AV&M currently manages a number of Blaxland's Vineyard projects as part of their overall portfolio.
Special Responsibilities	Viticultural Management

Financial Highlights

The Trust recorded a distributable profit of \$Nil (2009: profit \$13,268) for the year.

Report by the Responsible Entity on the Operations of the Trust

The principal activity of the Cowra Crossing Property Trust for the year ended 30 June 2010 was the ownership of the Cowra Crossing Property.

The Trust has no borrowings.

The Trustee continues to lease the property to Vineyard Management Pty Limited at an annual rent of 3.75% of the value of the previous year's crop. Vineyard Management Pty Limited is a company associated with the Manager. Vineyard Management Pty Limited leases the property to growers for the same annual fee.

The property was valued in June 2009 by Barnden Properties, valuers specialising in rural related assets. The vineyard, including house and water licences, was valued at \$1,200,000. However, after a year of unsuccessfully trying to sell the property as a vineyard a decision has been made to remove the vineyard infrastructure and sell the property as an all purpose farm. In these circumstances Directors believe the property will have a value of between \$900,000 and \$1,100,000

Principal Activity

The principal activity of the Trust is to own and lease the vineyard to Growers associated with unit holders. As a result of the investors' decision not to continue the project, the accounts can not be prepared on a going concern basis. The market value of the property as assessed by the independent valuer is above book value, but the directors have resolved to continue to record the property at book value as this is considered to be conservative.

Distribution

There no distributions declared as there were no profits in 2010.

Significant Changes in the State of the Affairs

As stated in the Project Accounts the property has now been placed for sale through local Real Estate Agents. At the date of this report no offers have been received. As a result of the poor crop result in 2009 the amount receivable in respect of the lease has been substantially reduced so that it is unlikely that a profit will accrue from leasing activities. All costs connected with the property and its sale will be met from sale proceeds and monies held by the Responsible Entity on behalf of investors.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT – PROPERTY TRUST

After Balance Date Events

Apart from the significant comment in the previous paragraph, there are no matters or circumstances that have arisen since 30 June 2010 that have significantly affected or may significantly affect:

- the operations of the Trust;
- the results of those operations; or
- the state of affairs of the Project in subsequent financial years.

Likely Developments

It is anticipated that the property will be sold during the current financial year and that the Trust will be liquidated and all available funds returned to investors. For this reason, the trust is not considered to be a going concern.

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

There were no units issued in the Trust during the financial year. There were 132,300 units held by the responsible entity or its associates at the end of the financial year. There were no withdrawals from the scheme during the year. At the 30 June 2010 there were 607,500 units issued in the Trust.

Fees Paid to the Responsible Entity

No fees were paid to Blaxland Vineyards Limited as fees to operate and manage the Trust during the year.

Auditors' Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out at page 27.

Non-Audit Services

During the year Nexia Court & Co, the company's auditor, has performed certain other services in addition to their statutory 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 for the following reason:

The non-audit services 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 Trust, acting as an advocate for the company or jointly sharing risk and rewards.

Details of the amounts paid to the auditor of the Trust, Nexia Court & Co, for audit and non-audit services provided during the year are set out below.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT – PROPERTY TRUST

	2010	2009
	\$	\$
Audit Services	6,185	6,044
Non-Audit Services		
Taxation and other services	750	1,975

Meeting of Compliance Committee

During the financial year, 4 meetings of compliance committee personnel were held. All attended the required meetings. Attendances by each person during the year were as follows:

	Position on Committee	Number of compliance meetings held and attended
Edward Russell	Chairman	4
Peter McLean	Member	4
Philip Slee	Compliance Officer	4

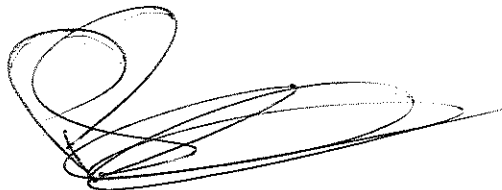
Indemnification of Officers and Auditors

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. The Trust does not provide any indemnification out of the Trust's assets.

No person has applied for leave of Court to bring proceedings on behalf of the Responsible Entity or intervene in any proceedings to which the Responsible Entity is a party for the purpose of taking responsibility on behalf of the Responsible Entity for all or any part of those proceedings. The Responsible Entity was not a party to any such proceedings during the year.



Neil R. MacKenzie
Director



Philip J. Slee
Director

Dated: 27th September 2010

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

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

I declare that, to the best of my knowledge and belief, in relation to the audit of the financial year ended 30 June 2010 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
Nexia Court & Co
Chartered Accountants

Robert Mayberry
Robert Mayberry
Partner

Sydney
Dated: 23 SEPTEMBER, 2010



COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

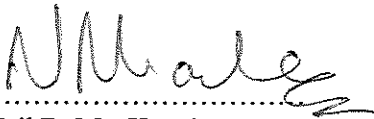
DIRECTORS' DECLARATION – PROPERTY TRUST

In the opinion of the directors of Blaxland Vineyards Limited, the Responsible Entity of Cowra Crossing Vineyard Property Trust:


1. the financial statements and notes, set out on pages 29 to 41, are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - (b) giving a true and fair view of the Trust's financial position as at 30 June 2010 and of its performance, for the financial year ended on that date;
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2(a).
3. 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


.....
Neil R. MacKenzie

Director


.....
Philip J. Slee

Dated:  September 2010

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

**STATEMENT OF COMPREHENSIVE INCOME – PROPERTY TRUST
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
Discontinued operations			
Revenue	3	12,931	41,128
Expenses	4	12,931	27,860
Profit before income tax		-	13,268
Income tax expense	2	-	-
Profit after income tax attributable to unitholders		-	13,268
Other Comprehensive Income		-	-
Income Tax relating to Other Comprehensive Income		-	-
Total Comprehensive Income attributable to unitholders		-	13,268

The accompanying notes form part of these financial statements

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

**STATEMENT OF FINANCIAL POSITION – PROPERTY TRUST
AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	5	9,271	28,349
Trade and other receivables	6	11,282	557
Other assets	7	6,899	-
Assets classified as held for sale	8	761,960	761,960
TOTAL CURRENT ASSETS		<u>789,412</u>	<u>790,866</u>
TOTAL ASSETS		<u>789,412</u>	<u>790,866</u>
CURRENT LIABILITIES			
Trade and other payables	9	21,238	22,692
TOTAL CURRENT LIABILITIES		<u>21,238</u>	<u>22,692</u>
TOTAL LIABILITIES		<u>21,238</u>	<u>22,692</u>
NET ASSETS		<u>768,174</u>	<u>768,174</u>
UNITHOLDERS' EQUITY			
Contributed equity		487,314	487,314
Asset Revaluation Reserve		280,860	280,860
Retained Earnings		-	-
TOTAL UNITHOLDERS' EQUITY		<u>768,174</u>	<u>768,174</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 YEAR ENDED 30 JUNE 2010**

2009

	Note	Contributed Equity \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2008		487,314	-	280,860	768,174
Profit attributable to growers		-	13,268	-	13,268
Distribution to unitholders			(13,268)	-	(13,268)
Balance at 30 June 2009		487,314	-	280,860	768,174

2010

	Note	Contributed Equity \$	Retained Earnings \$	Asset Revaluation Reserve \$	Total \$
Balance at 1 July 2009		487,314	-	280,860	768,174
Profit attributable to growers		-	-	-	-
Distribution to unitholders		-	-	-	-
Balance at 30 June 2010		487,314	-	280,860	768,174

The accompanying notes form part of these financial statements

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

**STATEMENT OF CASH FLOWS – PROPERTY TRUST
FOR THE YEAR ENDED 30 JUNE 2010**

	2010 \$	2009 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	3,348	40,906
Payment to suppliers	(9,163)	(24,602)
Interest received	5	222
Net cash from operating activities	<u>(5,810)</u>	<u>16,526</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Distributions to members	<u>(13,268)</u>	<u>(29,518)</u>
Net cash from financing activities	<u>(13,268)</u>	<u>(29,518)</u>
Net increase/(decrease) in cash and cash equivalents	(19,078)	(12,992)
Cash and cash equivalents at Beginning of Financial Year	<u>28,349</u>	<u>41,341</u>
Cash and cash equivalents at end of year	<u>9,271</u>	<u>28,349</u>

NOTES TO THE CASH FLOW STATEMENT

Reconciliation of cash and cash equivalents

Cash at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

Cash at Bank	<u>9,271</u>	<u>28,349</u>
--------------	--------------	---------------

Reconciliation of cash from operating activities

Profit for the year	-	13,268
Change in current receivables	(1,147)	102
Change in other current assets	(16,477)	238
Change in payables	11,814	2,918
Net cash from operating activities	<u>(5,810)</u>	<u>16,526</u>

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. REPORTING ENTITY

Cowra Crossing Vineyard Property Trust (the 'Trust') is a registered managed investment scheme under the Corporations Act 2001. The financial report of the Trust is for the year ended 30 June 2010.

2. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The financial report of the Trust complies with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

The financial statements were approved by the Board of Directors on ~~xx~~ September 2010

(b) Basis of accounting

The financial statements have not been prepared on a going concern basis as the purpose of the Trust, to lease the vineyard to grape growers, has ceased. Accordingly, all assets and liabilities, with the exception of freehold land, have been valued at net realisable value, which is book value, so there is no resultant write down recorded in the financial statements of the Trust.

The value of the freehold land has been independently valued above the value recorded in the financial statements of the Trust. The directors of the Responsible Entity consider it prudent to retain the freehold land at book value until the property is sold, as there is no way of knowing whether the market value will be achieved. However, the sale price, even if it has to be heavily discounted, will exceed the book value and costs of realisation. Moreover, this is in accordance with the Trust's accounting policy on assets classified as held for sale.

(c) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Trust's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(e) Income and expenditure recognition

The income and expenditure belong to the Trust, any surplus is distributed to the unit holders.

Income is recognised by the Trust when the goods are provided. Expenditure is not recognised by the Trust until the Trust starts generating income. Once income is generated, all expenses are recorded in the Trust accounts as they are incurred.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(f) **Income tax**

The Trust is not a taxable entity under the Income Tax Assessment Act 1936. Profits are distributed to unit holders and taxed in the hands of the of the unitholders. Losses remain in the Trust.

(g) **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.

(h) **Property, plant and equipment**

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 Responsible Entity considers it is in the interests of the unitholders. Any real property must be re-valued in the accounts of the Trust in accordance with any valuation undertaken unless the Trustee believes the valuation should not be adopted.

(i) **Assets classified as held for sale**

Assets that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, assets are remeasured in accordance with the Trust's accounting policies. Thereafter, the assets are measured at the lower of their carrying amount and fair value less costs to sell.

(j) **Trade and other creditors**

These amounts represent liabilities for services provided to the Trust prior to the end of the financial year. The amounts are unsecured and are usually paid within 30 days of recognition.

(k) **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.

(l) **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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(m) Financial Risk Management

Overview

The Trust has exposure to the following risks from its use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Trust's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors of the custodian of the Trust has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities. The Custodian, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the trust's receivables from growers.

Trade and other receivables

The Trust's exposure to credit risk is influenced mainly by the individual characteristics of each customer and the profitability of the related Project. Whilst the Project is profitable the Trust will not experience any credit risk.

The Trust may establish an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures.

Guarantees

No guarantees have been or will be provided by the Trust.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust's approach managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

Typically the Trust ensures that it has sufficient cash on demand to meet expected operational expenses for the year ahead, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. In addition, the Trust maintains the following lines of credit:

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS –
PROPERTY TRUST

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

Market risk

Market risk is the risk that changes in market prices will affect the Trust's income.

The Trust is only exposed to this risk through a similar risk influencing the related Project. It is unable to influence this risk.

Currency risk

The Trust is not directly exposed to currency risk. However as the wine industry is an export industry, its customers are affected by currency changes and this can influence pricing of the Trust's products.

Interest rate risk

The Trust adopts a policy of ensuring that its exposure to changes in interest rates is minimised by changing to fixed rate borrowings when interest rates are volatile.

Non-derivative financial instruments

Non-derivative financial instruments comprise cash and cash equivalents, trade and other receivables and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below:

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Cash and cash equivalents comprise cash balances and call deposits.

(n) Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. The carrying value is reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash generating units are written down to their recoverable amount. The amount of the loss is recognized in the income statement.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(o) Revenue

Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and trade and other discounts. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably and the amount of revenue can be measured reliably.

Interest income

Income is recognised as the interest accrues to the net carrying amount of the financial asset.

(p) Goods and services tax

Goods and services tax (GST) is paid and received by Trust.

(q) New standards and Interpretations not yet Adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report.

- AASB 9 *Financial Instruments* includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the project to replace AASB 139 *Financial Instruments: Recognition and Measurement*. AASB 9 will become mandatory for the Trust's 30 June 2014 financial statements. Retrospective application is generally required, although there are exceptions, particularly if the entity adopts the standard for the year ended 30 June 2012 or earlier. The Trust has not yet determined the potential effect of the standard.
- AASB 124 *Related Party Disclosures* (revised December 2009) simplifies and clarifies the intended meaning of the definition of a related party and provides a partial exemption from the disclosure requirements for the government-related entities. The amendments, which will become mandatory for the Trust's 30 June 2012 financial statements, are not expected to have any impact on the financial statements.
- AASB 2009-5 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Process* affect various AASBs resulting in minor changes for presentation, disclosure, recognition and measurement purposes. The amendments, which become mandatory for the Trust's 30 June 2011 financial statements, are not expected to have a significant impact on the financial statements.

(r) Presentation of Financial Statements

The Trust applies revised AASB 101 *Presentation of Financial Statements* (2007), which became effective as of 1 January 2009. As a result, the Trust presents in the statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the statement of comprehensive income.

Comparative information has been re-presented so that it also is in conformity with the

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

revised standard. Since the change in accounting policy only impacts presentation aspects, there is no impact on earnings.

	2010	2009
	\$	\$
3. REVENUE – DISCONTINUED OPERATIONS		
- Rent	3,348	40,906
- Other income	9,578	-
- Finance income ~ bank interest	5	222
TOTAL REVENUE	<u>12,931</u>	<u>41,128</u>
4. EXPENSES – DISCONTINUED OPERATIONS		
Remuneration of auditor		
- audit	6,185	6,044
- other non audit services	<u>750</u>	<u>1,975</u>
5. CASH AND CASH EQUIVALENTS		
Cash in Trust bank account	<u>9,271</u>	<u>28,349</u>
6. TRADE AND OTHER RECEIVABLES		
Current		
Other debtors	9,578	-
GST receivable	1,704	557
	<u>11,282</u>	<u>557</u>
7. OTHER ASSETS		
Current		
Prepayments	<u>6,899</u>	<u>-</u>
8. ASSETS CLASSIFIED AS HELD FOR RESALE		
Current		
Freehold land – at fair value	<u>761,960</u>	<u>761,960</u>

The vineyard property was reclassified from Non- current Property, plant and equipment in 2009, as the Responsible Entity is actively marketing the property for sale as part of the discontinuation of the

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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

project. During June 2009 an independent valuation was performed by R.G.C. Barnden Certified Practising Valuer, FAPI, AI.Arb. The property inclusive of the land on an unimproved basis, buildings and water was valued at \$1,200,000 (previous valuation December 2009 \$761,960).

	2010	2009
	\$	\$
9. TRADE AND OTHER PAYABLES		
Current		
Trade creditors	18,948	-
Other creditors	2,290	9,424
Distribution payable	-	13,268
	<u>21,238</u>	<u>22,692</u>

10. RELATED PARTY TRANSACTIONS

- (a) Key Management Personnel
Key management personnel in office during the financial year:

Name	Position
Ron Collins	Director of the Responsible Entity
Philip Slee	Director of the Responsible Entity

No compensation was paid by the Trust to key management personnel during the year.

- (b) Transactions with Related Entities
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

- (i) Cowra Crossing Property Trust is a “Managed Investment Scheme” for which the “Responsible Entity” is Blaxland Vineyards Limited (ABN: 61 067 514 792) of 26 Greenock Road, Nuriootpa, SA, 5355.
- (ii) Fees retained by Blaxland Vineyards Limited during the year were \$NIL (\$2009: \$NIL).

The Responsible Entity holds 132,300 (2009: 132,300) units in the Trust.

11. SEGMENT REPORTING

The Trust operates in the viticultural industry of Australia.

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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

12. FINANCIAL INSTRUMENTS

Credit risk

Exposure to credit risk

The carrying amount of the Trust's financial assets represents the maximum credit exposure. The Trust's maximum exposure to credit risk at the reporting date was:

	Carrying amount	
	2010	2009
	\$	\$
Cash and cash equivalents	9,271	28,349
Trade and other receivables	11,282	557
	<u>20,553</u>	<u>28,906</u>

The Trust's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amount	
	2010	2009
	\$	\$
Wholesale customers	-	-
Retail customers	-	-
End-user customers	-	557
	<u>-</u>	<u>557</u>

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

30 June 2010

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities							
Trade and other payables	21,238	(21,238)	(21,238)	-	-	-	-

30 June 2009

	Carrying Amount	Contractual cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	\$	\$					
Non-derivative financial liabilities							
Trade and other payables	22,692	(22,692)	(22,692)	-	-	-	-

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

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

12. FINANCIAL INSTRUMENTS (contd)

Currency risk

Exposure to currency risk

There is no exposure to foreign currency risk at balance date

Interest rate risk

Profile

At reporting date the interest rate profile of the Trust was:

	Carrying amount	
	2010	2009
	\$	\$
Variable rate instruments		
Financial assets	9,271	28,349
	<hr/>	<hr/>
	9,271	28,349
	<hr/>	<hr/>

Fair value sensitivity analysis or fixed rate instruments

The Trust does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore a change in interest rates at the reporting date would not affect profit or loss.

Fair Values

The fair values of financial assets and liabilities are equivalent to their carrying amount shown in the statement of financial position.

Estimation of fair values

The methods used in determining the fair values of financial instruments are discussed in note 2.

13. THE PROJECT AND PROPERTY TRUST

The Cowra Crossing Vineyard Project and Property Trust (ARSN 099 233 271) located at 1697 North Logan Road Billimari NSW 2804 is a Managed Investment Scheme for the which the Responsible Entity is Blaxland Vineyards Limited (ABN 61 067 514 792). The registered address and the address for administration purposes is 26 Greenock Road, Nuriootpa, SA, 5355.

**INDEPENDENT AUDITORS' REPORT TO THE RESPONSIBLE ENTITY OF COWRA CROSSING
PROPERTY TRUST**

Report on the Financial Report

We have audited the accompanying financial report of Cowra Crossing Property Trust, which comprises the statement of financial position as at 30 June 2010, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the responsible entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the 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. In note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditors' report was made.



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Australia Square NSW 1215
Telephone: 61 2 9251 4600
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Auditors' Opinion

In our opinion:

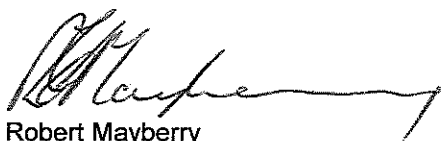
- (a) the financial report of Cowra Crossing Property Trust is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Property Trust's financial position as at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1.

Without qualifying our opinion:

We draw attention to the basis of preparation of the financial report as set out in Note 2. As at 30 June 2010, the directors of the Responsible Entity have concluded that the Property Trust is no longer a going concern and the financial statements for the year ended 30 June 2010 have been prepared on a liquidation basis.



Nexia Court & Co



Robert Mayberry
Partner

Sydney

Dated: 27 SEPTEMBER, 2010

COWRA CROSSING VINEYARD PROJECT AND PROPERTY TRUST

DIRECTORY

Manager

Blaxland Vineyards Limited

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

Directors of the Manager

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

Project Location

1697 North Logan Road
BILLIMARI NSW 2804

Project Administration

Blaxland Vineyards Limited
PO Box 100
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