

TANUNDA HILL
VINEYARD PROPERTY TRUST

ARSN 104 062 919

Report on the Trust at
30 June 2010

Managed by
Blaxland Vineyards Limited
ABN 61 067 514 792

TANUNDA HILL VINEYARD PROPERTY TRUST

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TANUNDA HILL VINEYARD PROPERTY TRUST

THE RESPONSIBLE ENTITY'S DIRECTORS' REPORT

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 Trustee (Responsible Entity) at the date of this report and at any time 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 and Wine sales

TANUNDA HILL VINEYARD PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT

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 1,500 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

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.

Financial Highlights

The Trust recorded a loss of \$1,877 (2009: profit of \$7,846) for the year under review. The Trust continues to own the property on which the Tanunda Hill Vineyard Project Stage 2 is conducted.

Review of Operations

The Trust maintains its ownership over the property of 129.8 hectares together with 140,000 shares in Barossa Infrastructure Limited (BIL).

The property is mortgage free.

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 rent of \$1,365 per allotment. The funds will be used to maintain the Trust, including the delivery of water to the vineyard, trellis rental and a fee to the Responsible Entity.

Valuation

A formal valuation was carried out in June 2009 by Barnden Property Pty Ltd, Certified Valuers which values the total vineyard at \$6,500,000

The property owned by the Trust was valued by R.G.C. Barnden in June 2009 at \$2,525,000, including all buildings and the shares in Barossa Infrastructure Limited. These assets cost \$1,680,000 and \$140,000 respectively. The complete vineyard was valued at \$6,500,000 which equates to \$56,521 per hectare.

Distributions

Distributions totalling \$40,308 (2009: \$12,478) were declared as payable to unitholders from profits earned in 2010.

TANUNDA HILL VINEYARD PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT

Significant Changes in State of Affairs

There were no significant changes in the state of the Trust's affairs during the year.

Matters Subsequent to the End of the Financial Period

The Responsible entity is considering the possibility of restructuring the Tanunda Hill Projects. This will mean that the vineyard would be run by the Trust on behalf of Unitholders. Blaxland considers this to be a benefit to all involved. A memorandum and a PDS are being prepared so that all Unitholders can be properly informed of the consequences of this action. A meeting is expected to be held in the current financial year to consider the restructure.

Apart from the matter raised in the preceding paragraph, at the date of this report there is no other matter or circumstance which has arisen since 30 June 2010 that has significantly affected or may significantly affect:

- a) the operations of the Trust;
- b) the result of those operations; or
- c) the state of affairs, in financial years subsequent to 30 June 2010, of the economic entity.

Likely 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.

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

In the year to 30 June 2010, no units were issued in the Trust. No units were redeemed in the current year. At 30 June 2010, there were 1,859,000 units issued in the Trust.

Fees Paid to the Responsible Entity

During the period under review \$2,300 (2009:\$2,300) was paid to Blaxland Vineyards Limited from Tanunda Hill Vineyard Property Trust as fees to manage the Trust.

Number of Interests held by the Responsible Entity

The Responsible Entity and its associates own 607,500 units (2009: 607,500) in the Property Trust.

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.

TANUNDA HILL VINEYARD PROPERTY TRUST

RESPONSIBLE ENTITY'S DIRECTORS' REPORT

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.

Non-Audit Services (contd)

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.

	2010	2009
	\$	\$
Audit Services	9,030	5,680
Non-Audit Services		
Taxation and other services	-	1,975

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 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.

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 Tanunda Hill Vineyard 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
Chartered Accountants



Robert Mayberry
Partner

Sydney
Dated:



TANUNDA HILL VINEYARD PROPERTY TRUST

DIRECTORS' DECLARATION

In the opinion of the directors of Blaxland Vineyards Limited, the Responsible Entity of Tanunda Hill Vineyard Property Trust:


1. the financial statements and notes, set out on pages 8 to 21, 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 ^{28th} September 2010

TANUNDA HILL VINEYARD PROPERTY TRUST

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

	Note	2010 \$	2009 \$
Continuing Operations			
Revenues	3	313,994	349,409
Expenses	4	315,871	341,563
(Loss)/Profit before income tax		<u>(1,877)</u>	<u>7,846</u>
Income tax expense	2	<u>-</u>	<u>-</u>
(Loss)/Profit after income tax attributable to unitholders		<u>(1,877)</u>	<u>7,846</u>
Other Comprehensive Income		<u>-</u>	<u>-</u>
Income Tax relating to Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income attributable to unitholders		<u>(1,877)</u>	<u>7,846</u>

The accompanying notes form part of these financial statements

TANUNDA HILL VINEYARD PROPERTY TRUST

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010**

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and cash equivalents	5	86,842	29,491
Trade and other receivables	6	-	934
TOTAL CURRENT ASSETS		86,842	30,425
NON-CURRENT ASSETS			
Other assets	7	140,000	140,000
Property, plant and equipment	8	1,828,808	1,878,224
TOTAL NON-CURRENT ASSETS		1,968,808	2,018,224
TOTAL ASSETS		2,055,650	2,048,649
CURRENT LIABILITIES			
Trade and other payables	9	69,705	20,302
TOTAL CURRENT LIABILITIES		69,705	20,302
TOTAL LIABILITIES		69,705	20,302
NET ASSETS		1,985,945	2,028,347
EQUITY		1,985,945	2,028,347

The accompanying notes form part of these financial statements

TANUNDA HILL VINEYARD PROPERTY TRUST

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010**

2009	Units on Issue \$	Retained Earnings \$	Total \$
Balance at 1 July 2008	1,859,000	173,979	2,032,979
Profit attributable to unitholders	-	7,846	7,846
Distribution made to unitholders	-	(12,478)	(12,478)
Balance at 30 June 2009	1,859,000	169,347	2,028,347
2010	Units on Issue \$	Retained Earnings \$	Total \$
Balance at 1 July 2009	1,859,000	169,347	2,028,347
(Loss) attributable to unitholders	-	(1,877)	(1,877)
Distribution made to unitholders	-	(40,526)	(40,526)
Balance at 30 June 2010	1,859,000	126,944	1,985,944

The accompanying notes form part of these financial statements.

TANUNDA HILL VINEYARD PROPERTY TRUST

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

	2010	2009
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	313,947	349,370
Payment to suppliers	(243,948)	(282,737)
Interest received	47	39
Net cash flow from operating activities	70,046	66,672
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loan	-	(39,771)
Distribution to unitholders	(12,695)	-
Net cash from financing activities	(12,695)	(39,771)
Net increase in cash and cash equivalents	57,351	26,901
Cash and cash equivalents at Beginning of Financial Year	29,491	2,590
Cash and cash equivalents at end of year	86,842	29,491

NOTES TO THE STATEMENT OF CASH FLOWS

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	86,842	29,491
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Reconciliation of cash from operating activities

(Loss)/Profit for the year	(1,877)	7,846
Amortisation of non current assets	49,416	49,416
Changes in assets and liabilities		
Change in receivables	935	5,847
Change in prepayments	-	238
Change in payables	21,572	3,325
Net cashflow from operating activities	70,046	66,672

The accompanying notes form part of these financial statements

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

1. REPORTING ENTITY

Tanunda Hill 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').

(b) Basis of accounting

These financial statements have been prepared in accordance with the historical cost convention, except for financial instruments at fair value through profit or loss, which are measured at fair value.

(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

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.

(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 unit holders. 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.

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(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) **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.

(j) **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.

(k) **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.

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

Financial Risk Management (contd)

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..

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 group'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.

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.

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(l) Financial Instruments

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.

(m) 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.

(n) 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.

(o) Goods and services tax

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

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (contd)

(p) 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 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.

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

	2010 \$	2009 \$
3. REVENUE		
- Rent, water supply & infrastructure from growers	313,947	349,370
- Finance income ~ bank interest	47	39
TOTAL REVENUE	313,994	349,409

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010	2009
	\$	\$
4. EXPENSES		
Cost of Sales:		
Water Supply	178,607	225,860
Water Infrastructure	55,440	33,580
	234,047	259,440
Amortisation	49,416	49,416
Management fees	2,300	2,300
Compliance Committee fees	3,500	3,500
Consultants	-	4,050
Rates	15,738	14,536
Other	1,840	646
Subtotal	72,794	74,448
Remuneration of auditor		
- audit	9,030	5,680
- other services	-	1,975
	9,030	7,655
5. CASH AND CASH EQUIVALENTS		
Cash in Trust bank account	86,841	29,491
	86,841	29,491
6. TRADE AND OTHER RECEIVABLES		
Current		
GST receivable	-	934
	-	934
7. OTHER ASSETS		
Non current		
Investment in BIL Scheme	140,000	140,000
Refer valuation comment in Note 8		
8. PROPERTY, PLANT AND EQUIPMENT		
Freehold land – at cost	1,680,564	1,680,564
Equipment	658,011	658,011
Less Accumulated depreciation	(509,767)	(460,351)
TOTAL PROPERTY, PLANT AND EQUIPMENT	1,828,808	1,878,224

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

	2010	2009
	\$	\$

Note 8 (Contd)

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.

9. TRADE AND OTHER PAYABLES

Current

Trade Creditors	23,965	-
Other Creditors	1,223	7,824
GST payable	4,209	-
Distributions to unitholders	40,308	12,478
	69,705	20,302

10. INCOME TAX

The Trust is not a taxable entity. Any taxable profits must be distributed to unit holders and taxed in their hands

Accounting Profit/ (Loss)	(1,877)	7,846
Non deductible expenses		
Amortisation	49,416	49,416
Deductible residual costs	(7,231)	(7,231)
Current taxable profit/(loss)	40,308	50,031
Less: Tax losses brought forward	-	(37,553)
Current taxable income	40,308	12,478

All Taxable Profit was distributed to unitholders.

11. COMMITMENTS

Future water infrastructure and water delivery commitments that have not been recognized in the statement of financial position as a liability

Payable		
Not longer than one year	73,380	71,200
Longer than one year but not longer than five years	427,920	419,200
Longer than five years	320,940	419,200
	822,240	909,600

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS RELATED PARTY TRANSACTIONS

12.

(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) Tanunda Hill Vineyard 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 after payment of vineyard maintenance costs during the year were \$2,300 (2009 \$2,300). The Responsible Entity or its associates hold 607,500 units in the Trust.

13. SEGMENT REPORTING

The Trust operates in the viticultural industry in Australia.

14. 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	86,842	29,491
Trade and other receivables	-	934
	86,842	30,425

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

	Carrying amount	
	2010	2009
	\$	\$
End-user customers	-	-
	-	-

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

14. FINANCIAL INSTRUMENTS (contd)

Impairment losses

None of the Trust's receivables are past due (2009: nil). The aging of the group's trade receivables at the reporting date was:

	Gross 2010 \$	Impairment 2010 \$	Gross 2009 \$	Impairment 2009 \$
Not past due	-	-	-	-
	-	-	-	-

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	69,705	(69,705)	(69,705)	-	-	-	-

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	20,302	(20,302)	(20,302)	-	-	-	-

Currency risk

*Exposure to currency
risk*

There is no exposure to foreign currency risk at balance date

TANUNDA HILL VINEYARD PROPERTY TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

14 FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

Profile

At reporting date the interest rate profile of the Trust's interest-bearing financial instruments was:

	Carrying amount	
	2010	2009
	\$	\$
Fixed rate instruments		
Financial liabilities	-	-
Variable rate instruments		
Financial assets	86,842	29,491
	86,842	29,491

Fair value sensitivity analysis for 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.

15 THE PROPERTY TRUST

The Tanunda Hill Vineyard Property Trust (ARSN 104 062 919) 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 the address for administration purposes is 26 Greenock Road, Nuriootpa, SA, 5355.

**INDEPENDENT AUDITORS' REPORT TO THE RESPONSIBLE ENTITY OF TANUNDA HILL
VINEYARD PROPERTY TRUST**

Report on the Financial Report

We have audited the accompanying financial report of Tanunda Hill Vineyard 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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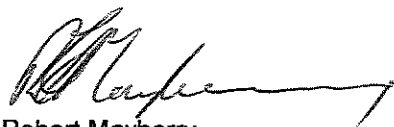
Auditors' Opinion

In our opinion:

- (a) the financial report of Tanunda Hill Vineyard 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.



Nexia Court & Co



Robert Mayberry
Partner

Sydney

Dated: 27 SEPTEMBER, 2010

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

Independent Accountants and Auditors of the Project

Nexia Court & Co Chartered Accountants

Australia Square

Level 29, 264 George Street

Sydney NSW 2000

Property Location

Les Dunkley Road

SHEAOAK LOG

NURIOOTPA SA 5355

Property Trust Administration

Blaxland Vineyards Limited

PO Box 100

Nuriootpa, SA, 5355.