

**ROSEDALE VINES PROJECT NO. 3 STAGE 2
ARSN 108 028 360**

**RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

Barossa Vines Limited (the Responsible Entity of Rosedale Vines Project No. 3 Stage 2) presents the financial report for Rosedale Vines Project No. 3 Stage 2 (the Project) for the year ended 30 June 2009 and the review report thereon.

Barossa Vines Limited has been the Responsible Entity since registration of the Project on 23 February 2004.

Directors

The names of directors of the Responsible Entity in office at any time during or since the end of the year are:

Mario De Francesco
Luciano Signore
Antonio De Francesca
Marcus LaVincente
Alan Young
Mark Turnbull
Stephen Murphy

Company Secretary

The following person held the position of company secretary of the Responsible Entity at the end of the financial year:

Linden Huxtable —

Qualifications Professional National Accountant of the National Institute of Accountants, Senior Associate of the Financial Services Institute of Australasia, Associate of the Executor and Trustee Institute

Experience Various Management positions in the Trustee Industry for over 32 years.

Principal Activities

The principal activities of the Project during the financial year was growing and production of wine grapes.

Review of Operations

The Project's operations during the current financial year consisted of maintaining the vineyards to produce a harvest of fruit. No other significant matters occurred during the year that affected these operations.

Significant Changes In State Of Affairs

There were no significant changes in the state of affairs of the Project during the financial year.

After Balance Date Events

There has not been any matter or circumstance since the end of the financial year which 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 future financial years.

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Future Developments

Disclosure of information regarding likely developments in the operations of the Project in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Project. Accordingly, this information has not been disclosed in this report.

Distributions

Distributions were paid during the year amounting to \$607,174 (2008 \$141,391)

Information On Directors of Responsible Entity

Mario De Francesco Chairman (executive director)

Qualifications Masters degree in Business Administration, Diplomas in Financial Advising and Financial Services. Fellow of the National Institute of Accountants, the Taxation Institute of Australia, Associate of the Financial Planning Association, and Senior Associate of the Financial Services Institute of Australasia.

Experience 27 years experience in accounting, taxation, company management, financial planning and securities. Public accountant and registered tax agent, senior partner of an accounting, taxation and financial planning practice. 18 years experience as a director of companies which have managed prescribed interest and managed investment schemes.

Responsibilities Chairman of the Board of Directors, Finance and Marketing.

Luciano Signore Executive director

Qualifications Fellow of the Professional National Accountant's Association and the Taxation Institute of Australia. A Certified Financial Planner with a Diploma in Financial Planning.

Experience 22 years experience in company management, taxation accounting and financial planning. Public accountant, registered tax agent, senior partner of an accounting, taxation and financial planning practice. 18 years experience as a director of companies which have managed prescribed interest and managed investment schemes.

Responsibilities Finance and Property Management.

Antonio De Francesca Executive director

Qualifications Fellow of the Taxation Institute of Australia, Associate Member Financial Planning Association and a Certified Practising Accountant with a Bachelor of Economics.

Experience 25 years experience in the accounting profession including auditing. Registered tax agent, registered company auditor, senior principal of an accounting and taxation practice. 12 years experience as a director of companies which have managed prescribed interest and managed investment schemes.

Responsibilities Finance, Technology, Marketing, Audit and Member of the Compliance Committee.

**RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

Information On Directors of Responsible Entity (cont)

Marcus LaVincente

- Qualifications LLB, MBA, Fellow of the Australian Institute of Company Directors and Fellow of the Australian Institute of Management.
- Experience Partner in legal firm Minter Ellison with wide experience in business, corporate and commercial matters including managed investment schemes.
- Responsibilities External director

Alan Young

- Qualifications Member of the Australian Stock Exchange Ltd, Affiliate of the Securities Institute of Australia, Fellow of the Australian Institute of Company Directors, Associate of the Financial Planning Institute of Australia, Member of the Securities and Derivatives Industry Association and Stockbroker.
- Experience Joint Managing Director and co-founder of Baker Young Stockbrokers with over 25 years experience.
- Responsibilities External director

Mark Turnbull

- Qualifications Diploma in Oenology
- Experience Managing Director of Belvedere Winery since 1999. Has 33 years extensive experience in the Australian wine industry during which time has held a variety of technical and management positions.
- Responsibilities External director

Stephen Murphy

- Qualifications Bachelor of Commerce, Member of Institute of Chartered Accountants, Fellow of the Taxation Institute of Australia
- Experience Chartered Accountant in public practice since 1991. A Director of a number of other companies in the financial services industry which are license security dealers and responsible entities.
- Responsibilities External director

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2009 has been received and can be found of page 6 of this Financial Report.

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**RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

Remuneration Report

Remuneration paid by the responsible entity to the directors are as follow. The remuneration are reflected in the accounts of the Responsible entity.

	2009			2008		
	Salary & Fees	Super-annuation	Total	Salary & Fees	Super-annuation	Total
Mario De Francesco	60,000	5,400	65,400	60,000	5,400	65,400
Luciano Signore	60,000	5,400	65,400	60,000	5,400	65,400
Antonjo De Francesca	60,000	5,400	65,400	60,000	5,400	65,400
Marcus LaVincente	24,000	-	24,000	24,000	-	24,000
Alan Young	24,000	-	24,000	24,000	-	24,000
Mark Turnbull	24,000	-	24,000	24,000	-	24,000
Stephen Murphy	24,000	-	24,000	24,000	-	24,000
Total Compensation	<u>276,000</u>	<u>16,200</u>	<u>292,200</u>	<u>276,000</u>	<u>16,200</u>	<u>292,200</u>

Other transaction that that the Responsible Entity had with director related parties are as follow.

Lease fees paid/payable to landholding companies	<u>2,603,419</u>	<u>2,351,756</u>
Legal Fees paid/payable to Minter Ellison, of which Marcus LaVincente is a Partner	<u>120,386</u>	<u>112,192</u>

Transactions the project had with entities related to the above directors are disclosed in note 11.

**RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 30 JUNE 2009**

Environmental Issues

The Projects operations are not regulated by any significant environmental regulations under law of the Commonwealth or of the state.

Indemnifying of Officers and Auditors

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the Project.

Proceedings on Behalf of the Project

No person has applied for leave of Court to bring proceedings on behalf of the Project or intervene in any proceedings to which the Project is a party for the purpose of taking responsibility on behalf of the Project for all or any part of those proceedings.

The Project was not party to any such proceedings during the year.

Remuneration Report

Directors are paid by the Responsible Entity.

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

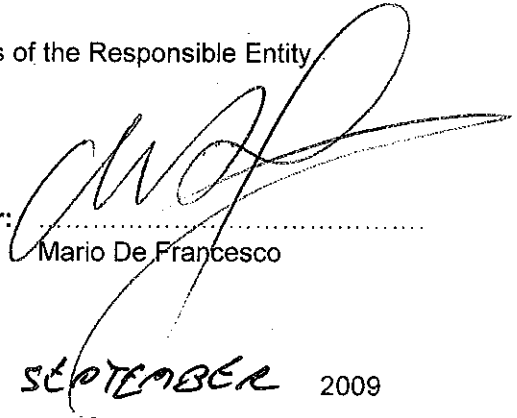
Director:

Luciano Signore



Director:

Mario De Francesco



Signed at Payneham this

30

day of

SEPTEMBER

2009



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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF ROSEDALE VINES PROJECT NO. 3 STAGE 2**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Rosedale Vines Project No.3 Stage 2 for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b No contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S.J. Gray
Partner

Signed at Wayville on this 30th day of September 2009

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**ROSEDALE VINES PROJECT NO. 3 STAGE 2
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**INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
Revenues from ordinary activities	2	899,211	1,026,612
Vineyard Costs		(642,246)	(267,866)
Management Fees		(67,445)	(76,992)
Harvesting Costs		(160,136)	(74,580)
Distributions paid or Payable to Growers	8	(29,384)	(607,174)
PROFIT BEFORE INCOME TAX		<u>-</u>	<u>-</u>
INCOME TAX EXPENSE		<u>-</u>	<u>-</u>
PROFIT FOR THE YEAR		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

ROSEDALE VINES PROJECT NO. 3 STAGE 2
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BALANCE SHEET
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	304	78
Trade and Other Receivables	6	299,737	1,028,012
TOTAL CURRENT ASSETS		<u>300,041</u>	<u>1,028,090</u>
TOTAL ASSETS		<u>300,041</u>	<u>1,028,090</u>
CURRENT LIABILITIES			
Trade and Other Payables	7	270,657	420,916
Distributions Payable to Growers	8	29,384	607,174
TOTAL CURRENT LIABILITIES		<u>300,041</u>	<u>1,028,090</u>
TOTAL LIABILITIES		<u>300,041</u>	<u>1,028,090</u>
NET ASSETS		<u>-</u>	<u>-</u>
EQUITY			
Retained Earnings		-	-
TOTAL EQUITY		<u>-</u>	<u>-</u>

The accompanying notes form part of these financial statements.

**ROSEDALE VINES PROJECT NO. 3 STAGE 2
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	Retained Earnings \$
Balance 1 July 2007		-
Unallocated profit for the year		-
Balance 30 June 2008		-
Unallocated profit for the year		-
Balance 30 June 2009		-

The accompanying notes form part of these financial statements.

ROSEDALE VINES PROJECT NO. 3 STAGE 2
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CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Cash flows from operating activities			
Receipts from grape sale		1,627,486	499,367
Payments to Responsible Entity		<u>(1,020,086)</u>	<u>(357,898)</u>
Net cash provided by (used in) operating activities		<u>607,400</u>	<u>141,469</u>
Cash flows from financing activities			
Distribution to growers		<u>(607,174)</u>	<u>(141,391)</u>
Net cash provided by (used in) financing activities		<u>(607,174)</u>	<u>(141,391)</u>
Net increase/(decrease) in cash held		226	78
Cash at the beginning of the financial year		<u>78</u>	-
Cash at the end of the financial year		<u><u>304</u></u>	<u><u>78</u></u>

The accompanying notes form part of these financial statements.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001 and the Projects Constitution.

Rosedale Vines Project No. 3 Stage 2 is a registered managed investment scheme pursuant to the requirement of the Australian Securities and Investment Commission.

The following is a summary of the material accounting policies adopted by the Project in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

Reporting basis and conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

(a) Compliance With IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes of Rosedale Vines Project No.3 Stage 2 complies with International Financial Reporting Standards (IFRS).

(b) Income Tax

The entity is a Managed Investment Scheme and as such is not a legal entity for tax purposes. All profits/(losses) are transferred to members who are required to account for it in their own records.

(c) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash includes cash on hand and in at call deposits with banks or financial institutions, net of bank overdrafts and investment in money market instruments with less than 3 months to maturity.

(d) Revenue

Revenue from sale of grapes are recognised upon delivery of grapes to grape purchaser.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is inclusive of the amount of goods and services tax (GST).

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Revenue from sale of grapes are recognised upon delivery of grapes to grape purchaser.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is inclusive of the amount of goods and services tax (GST).

(e) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivable are generally due for settlement in accordance with the terms in the grape contract.

(f) Trade and other payables

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

(g) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Cont)

(h) Financial Instruments

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Classification and Subsequent Measurement

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Project assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (Cont)

(i) Impairment of Assets

At each reporting date, the Project reviews the carrying values of its 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 assets's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual assets, the Project estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(k) New Accounting standards and interpretations

Certain new accounting standards and interpretations have been published that not mandatory for 30 June 2009 reporting periods.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB5, AASB6, AASB 102, AASB 107, AASB 119, AASB 127, AASB134, AASB 136, AASB 1023, AASB 1038]
AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]
Revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009.

(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007 8 Amendments to Australian Accounting Standards arising from AASB 101
A revised AASB 101 was issued in September 2007 is applicable for annual reporting periods beginning on or after 1 January 2009.

(iv) AASB 2008-1 Amendments to Australian Accounting Standard - Share-based Payments: Vesting Conditions and Cancellations
AASB 2008-1 was issued in February 2008 and will become applicable for annual reporting periods beginning on or after 1 January 2009.

(v) Improvements to Australian Accounting Standards: AASB 2008-5 and AASB 2008-6
In July 2008, the AASB issued a number of improvements to existing Australian Accounting Standards Standards. The amendments will generally apply to financial reporting periods commencing on or after 1 January 2009, except for some changes to AASB 5 Non-current Assets Held for Sale and Discontinued Operations regarding the sale of the controlling interest in a subsidiary which will apply from 1 July 2009.

The Project does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the Project's financial statements.

(l) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

**ROSEDALE VINES PROJECT NO. 3 STAGE 2
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

	Note	2009 \$	2008 \$
NOTE 2 - REVENUE			
Operating Activities			
- Proceeds from grape sales	11	899,211	1,026,612
Total Revenue		<u>899,211</u>	<u>1,026,612</u>

NOTE 3 - PROFIT FROM ORDINARY ACTIVITIES

Profit from ordinary activities before income tax has been determined after

- Vineyard Costs	11	642,246	267,866
- Management Fees	11	67,445	76,992
- Harvesting Costs	11	160,136	74,580
		<u>869,827</u>	<u>419,438</u>

NOTE 4 - AUDITORS REMUNERATION

Auditors are paid by Barossa Vines Ltd (Responsible Entity) amounting to \$2,000 (2008: \$2,000).

NOTE 5 - CASH AND CASH EQUIVALENTS

Cash at bank	<u>304</u>	<u>78</u>
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NOTE 6 - TRADE AND OTHER RECEIVABLES

Trade Receivables	<u>299,737</u>	<u>1,028,012</u>
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Trade receivables relate to the following grape purchasers with terms as summaries below:

Rosedale Wines Pty Ltd

- First Payment: 1/3 of the total amount payable on the end of month following delivery
- Second Payment: 1/3 payable on 30th June 2009
- Final Payment: 1/3 payable on 30th September 2009

As at 30 June 2009, there are no balance past due.

ROSEDALE VINES PROJECT NO. 3 STAGE 2
 ARSN 108 028 360

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 7 - TRADE AND OTHER PAYABLES			
Payable to contractors		202,908	-
Amounts due to Responsible Entity		67,749	420,916
		<u>270,657</u>	<u>420,916</u>
NOTE 8 - DISTRIBUTIONS PAYABLE			
Distribution payable to Growers	10	<u>29,384</u>	<u>607,174</u>
NOTE 9 - CASH FLOW INFORMATION			
Reconciliation of Cash Flow from Operations with profit from ordinary activities after Income Tax			
Profit after income tax		-	-
Cash flows excluded from profit attributable to operating activities		607,174	141,391
Changes in assets and liabilities,			
(Increase)/Decrease in trade and other receivables		728,275	(527,245)
Increase/(Decrease) in trade and other payables		(150,259)	61,540
Increase/(Decrease) in payable to Growers		(577,790)	465,783
Cash flows from operations		<u>607,400</u>	<u>141,469</u>
NOTE 10 - GROWERS' DISTRIBUTION RECONCILIATION			
Opening balance		<u>607,174</u>	<u>141,391</u>
Add: 2008 harvest surplus		-	607,174
2009 harvest surplus		29,384	
Less: 2007 harvest distribution		-	(141,391)
2008 harvest distribution		(607,174)	-
Closing balance		<u>29,384</u>	<u>607,174</u>

ROSEDALE VINES PROJECT NO. 3 STAGE 2
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
NOTE 11 - RELATED PARTY TRANSACTIONS			
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.			
Director related parties:			
Vineyard Costs			
Vineyard maintenance costs are paid by the Project directly to Agribusiness Services Pty Ltd.	3	642,246	267,866
Harvest Costs			
Agribusiness Services is responsible for all costs associated with the grape harvest, and is reimbursed directly by the Project.	3	160,136	74,580
Management Costs			
In accordance with the Project's prospectus, 7.5% of total grape proceeds are paid Barossa Vines Ltd (responsible entity) as a management fee.	3	67,445	76,992
Grape sales			
Rosedale Wines Pty Ltd ABN 64 111 060 292, (a company which the executive directors have significant shares) has purchased grapes from the Project. The price depends on the amount and minimum quality standards of grapes produced. Rosedale Wines Pty Ltd will pay this amount to the Responsible Entity for it to distribute to the growers of the Project, after all authorised costs have been deducted.		899,211	-

Amount outstanding payables/(receivables) from director related parties:

Trade Payables

Agribusiness Services Pty Ltd	202,908	342,446
Barossa Vines Ltd	67,749	76,992

Trade Receivables

Rosedale Wines Pty Ltd	299,737	-
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NOTE 12 - FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The financial instruments are subject to changes of market interest rate, and effective weighted average interest rate on classes of financial assets and liabilities are as follow:

	Weighted Average Effective Interest Rate 2009	Weighted Average Effective Interest Rate 2008	Floating Interest Rate 2009	Floating Interest Rate 2008	Non Interest Bearing 2009	Non Interest Bearing 2008	Total 2009	Total 2008
Financial Assets								
Cash	0.00%	0.00%	304	78	-	-	304	78
Receivables			-	-	299,737	1,028,012	299,737	1,028,012
Total Financial Assets			304	78	299,737	1,028,012	300,041	1,028,090
Financial Liabilities								
Payables	0.00%	0.00%	-	-	270,657	420,916	270,657	420,916
Distribution			-	-	29,384	607,174	29,384	607,174
Total Financial Liabilities			-	-	300,041	1,028,090	300,041	1,028,090

The interest rate risk on financial assets and financial liabilities is immaterial in terms of the possible impact of profit or loss or total equity, and no sensitivity analysis is done.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 12 - FINANCIAL INSTRUMENTS (cont)

(b) Price Risk

The entity is not subject to commodity and securities price risk.

(c) Foreign exchange risk

The entity is not subject to foreign exchange risk as the entity holds no assets or liabilities in foreign currency and the entity has no foreign operating activities.

(d) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The company's credit risk exposures are the balances held with bank and the outstanding receivables. The company minimised credit risk exposure by depositing with licenced and reputable banks and financial institutions. Credit or advances are only given after assessing the credit quality.

(e) Liquidity Risk

Liquidity risk is managed on a group basis by the directors. The directors manages the liquidity risk by continuously monitoring cashflows and ensuring that adequate unutilised borrowing, facilities are maintained.

Fair Values

The carrying value less impairment provision of receivables and payables are assumed to approximate their fair value due to their short term nature.

The fair value of financial assets and financial liabilities is estimated by discounting the future contractual/expected cash flows at the current market interest rate that is available to the company for similar financial instruments.

NOTE 13 - RESPONSIBLE ENTITY DETAILS

The registered office and principal place of business of the Responsible Entity is 266-268 Payneham Road, Payneham, South Australia.

NOTE 14 - STATEMENT OF OPERATIONS BY SEGMENTS

The Project operates in South Australia with the principal activity of growing of wine grapes.

NOTE 15 - EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the financial year, 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 future financial years.

**ROSEDALE VINES PROJECT NO. 3 STAGE 2
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2009**

NOTE 16 - CONTINGENT LIABILITIES

Barossa Vines Limited (BVL), the responsible entity of the project, has provided a guarantee (along with other related parties) to Bank SA in support of bank facilities obtained by Australian Vines Ltd (a Director related entity) of \$22,000,000. The guarantee binds BVL in both its personal capacity and as trustee.

DIRECTORS' DECLARATION

The directors of the Responsible Entity declare that:

1. The financial statements and notes, as set out on pages 6 to 18, are in accordance with the Corporations Act 2001:
 - (a) Comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) Give a true and fair view of the financial position as at 30 June 2009 and performance for the year ended on that date of the undertaking;
2. In the directors' opinion there are reasonable grounds to believe that the Project will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors of the Responsible Entity.

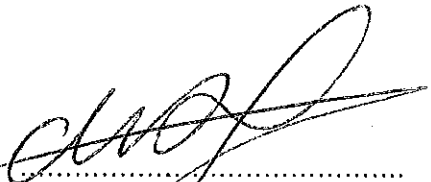
Director:

Luciano Signore



Director:

Mario De Francesco



Signed at Payneham this

30

day of

SEPTEMBER

2009



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAROSSA VINES LTD

We have audited the accompanying financial report comprising the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity, cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes to the financial statements, and the directors' declaration for Rosedale Vines Project No 3 Stage 2.

The 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. 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.

Auditor's 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, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BAROSSA VINES LTD Cont

Auditor's responsibility Cont

The procedures selected depend on the auditor's judgment, 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 circumstance, 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. 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 complied with applicable independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Barossa Vines Ltd on 30 September 2009, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's opinion

In our opinion:

- a the financial report of Rosedale Vines Project No 3 Stage 2 is in accordance with the Corporations Act 2001, including:
 - i giving a true and fair view of the Scheme's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - ii complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

GRANT THORNTON
South Australian Partnership
Chartered Accountants



S J Gray
Partner

Signed at Wayville on this 2nd day of October 2009