

**ROSEDALE VINES PROJECT
ARSN 092 463 020**

**RESPONSIBLE ENTITY'S REPORT
FOR THE YEAR ENDED 30 JUNE 2010**

Barossa Vines Limited (the Responsible Entity of Rosedale Vines Project) presents the financial report for Rosedale Vines Project (the Project) for the year ended 30 June 2010 and the audit report thereon.

Barossa Vines Limited has been the Responsible Entity since registration of the Project on 13 July 2001.

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 resigned 30 November 2009
Alan Young resigned 30 November 2009
Mark Turnbull resigned 30 November 2009
Stephen Murphy resigned 2 October 2009

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 33 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

No distributions were paid during the year, and the Directors of the Responsible Entity have recommended the Harvest gain in respect of the March 2010 harvest in the net amount of \$13,341 (2009: loss of \$259,926).

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 28 years experience in accounting, taxation, company management, financial planning and securities disciplines. Practising accountant and registered tax agent. 20 years experience as a director of companies which have 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 23 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. 20 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 26 years experience in the accounting profession including auditing. Registered tax agent, registered company auditor, senior principal of an accounting and taxation practice. 14 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.

Auditor's Independence Declaration

A copy of the auditor's independence declaration for the year ended 30 June 2010 has been received and can be found of page 5 of this Financial Report.

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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.

	2010			2009		
	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
Antonio De Francesca	60,000	5,400	65,400	60,000	5,400	65,400
Marcus LaVincente	4,000	-	4,000	24,000	-	24,000
Alan Young	-	-	-	24,000	-	24,000
Mark Turnbull	-	-	-	24,000	-	24,000
Stephen Murphy	-	-	-	24,000	-	24,000
Total Compensation	<u>184,000</u>	<u>16,200</u>	<u>200,200</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>2,769,257</u>	<u>2,603,419</u>
Legal Fees paid/payable to Minter Ellison, of which Marcus LaVincente is a Partner	<u>104,459</u>	<u>120,386</u>

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

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FOR THE YEAR ENDED 30 JUNE 2010**

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.

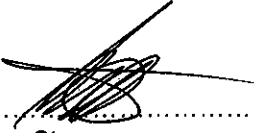
The Project was not party to any such proceedings during the year.

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

29TH

day of

OCTOBER

2010

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

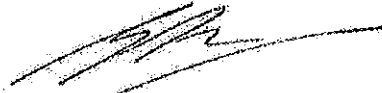
**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF BAROSSA VINES LTD**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Rosedale Vines Project for the year ended 30 June 2010, 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

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants



S.J. Gray
Director – Audit & Assurance Services

Adelaide, 29 October 2010

**ROSEDALE VINES PROJECT
ARSN 092 463 020**

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

	Note	2010 \$	2009 \$
Revenues from ordinary activities	2	341,927	116,172
Vineyard Costs		(264,989)	(346,699)
Management Fees		(25,645)	(8,711)
Harvesting Costs		(37,952)	(20,688)
Distributions paid or payable to Growers	8	-	-
PROFIT/(LOSS) BEFORE INCOME TAX		<u>13,341</u>	<u>(259,926)</u>
INCOME TAX EXPENSE		<u>-</u>	<u>-</u>
PROFIT/(LOSS) FOR THE YEAR		<u>13,341</u>	<u>(259,926)</u>
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		<u>13,341</u>	<u>(259,926)</u>

The accompanying notes form part of these financial statements.

ROSEDALE VINES PROJECT
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	Note	2010 \$	2009 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	-	386
Trade and Other Receivables	6	155,160	38,724
TOTAL CURRENT ASSETS		<u>155,160</u>	<u>39,110</u>
TOTAL ASSETS		<u>155,160</u>	<u>39,110</u>
CURRENT LIABILITIES			
Trade and Other Payables	7	401,745	299,036
Distributions Payable to Growers	8	-	-
TOTAL CURRENT LIABILITIES		<u>401,745</u>	<u>299,036</u>
TOTAL LIABILITIES		<u>401,745</u>	<u>299,036</u>
NET ASSETS (LIABILITIES)		<u>(246,585)</u>	<u>(259,926)</u>
EQUITY			
Retained losses		<u>(246,585)</u>	<u>(259,926)</u>
TOTAL EQUITY		<u>(246,585)</u>	<u>(259,926)</u>

The accompanying notes form part of these financial statements.

**ROSEDALE VINES PROJECT
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**STATEMENT OF RECOGNISED INCOME AND EXPENSE
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	Retained losses \$
Balance 1 July 2008		-
Total comprehensive loss for the period		(259,926)
Balance 30 June 2009		<u>(259,926)</u>
Total comprehensive loss for the period		13,341
Balance 30 June 2010		<u><u>(246,585)</u></u>

The accompanying notes form part of these financial statements.

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

	Note	2010 \$	2009 \$
Cash flows from operating activities			
Receipts from grape sales		225,491	930,905
Payments to responsible entity		<u>(225,877)</u>	<u>(249,672)</u>
Net cash provided by (used in) operating activities	9	<u>(386)</u>	<u>681,233</u>
Cash flows from financing activities			
Distribution to growers		<u>-</u>	<u>(682,970)</u>
Net cash provided by (used in) financing activities		<u>-</u>	<u>(682,970)</u>
Net increase/(decrease) in cash held		(386)	(1,737)
Cash at the beginning of the financial year		<u>386</u>	<u>2,123</u>
Cash at the end of the financial year	5	<u><u>-</u></u>	<u><u>386</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 2010

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 ("Project") 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.

(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 comply 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 individual tax returns at their applicable tax rate.

(c) Cash and Cash Equivalents

Cash and cash equivalents include 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 three months to maturity.

(d) Revenue

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

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 sale 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)

The project is not registered for GST purpose as it is not an entity and can not be registered. Income and expenses are stated gross of GST, as are cashflow transactions, receivables and payables of the Scheme.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

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 group 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.

(i) Comparative Figures

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (CONT)

(j) 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 asset'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.

(k) 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.

(l) Adoption of new and revised accounting standards

In the current year, the Project has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period. The 2009 comparatives contained in these financial statements therefore differ from those published in the financial statements for the year ended 30 June 2009 as described below.

Significant effects on current, prior or future periods arising from the first-time application of the standards discussed above in respect of presentation, recognition and measurement of accounts are described in the following notes.

Adoption of AASB 8 Operating Segments

Lyndoch Vines Project No.1 has adopted AASB 8 Operating Segments in these financial statements which has resulted in the removal of the requirement for presentation of the segment reporting note.

Adoption of AASB 101 Presentation of Financial Statements (revisions), AASB 2007-8 and 2007-10 Amendments arising from the revisions to AASB 101

The company has adopted the revisions to AASB 101 Presentation of Financial Statements in these financial statements which has resulted in the introduction of the statement of comprehensive income, changes to the statement of changes in equity, and other terminology changes.

(m) New accounting standards for application in future periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Project has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Project follows:

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard. No changes are expected to materially affect the Project.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 1 - STATEMENT OF ACCOUNTING POLICIES (CONT)

- (m) **New accounting standards for application in future periods (cont)**
AASB 2009-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010)

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Project.

AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Project.

AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Company has not yet determined the potential impact on the financial statements.

The changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and
- reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on:
 - a. the objective of the entity's business model for managing the financial assets; and
 - b. the characteristics of the contractual cash flows.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
NOTE 2 - REVENUE			
Operating Activities			
- Proceeds from grape sales			
-related parties	11	57,720	116,172
-external parties		284,207	-
Total Revenue		<u>341,927</u>	<u>116,172</u>

NOTE 3 - LOSS FROM ORDINARY ACTIVITIES

Loss from ordinary activities before income tax has been determined after			
- Vineyard Costs	11	264,989	346,699
- Management Fees	11	25,645	8,711
- Harvesting Costs	11	37,952	20,688
		<u>328,586</u>	<u>376,098</u>

NOTE 4 - AUDITORS REMUNERATION

Auditors are paid by Barossa Vines Ltd (Responsible Entity) amounting to \$2,000 (2009: \$2,000).

NOTE 5 - CASH AND CASH EQUIVALENTS

Cash at Bank		<u>-</u>	<u>386</u>
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NOTE 6 - TRADE AND OTHER RECEIVABLES

Trade Receivables		<u>155,160</u>	<u>38,724</u>
Total Trade and Other Receivables		<u>155,160</u>	<u>38,724</u>

Trade receivables relate to the following grape purchasers with terms as summaries below:

- First Payment: 1/3 of the total amount payable on the end of month following delivery
- Second Payment: 1/3 payable on 30th June 2010
- Final Payment: 1/3 payable on 30th September 2010

As at 30 June 2010, there are no balance past due.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2010 \$	2009 \$
NOTE 7 - TRADE AND OTHER PAYABLES			
Amounts due to Responsible Entity		25,644	9,097
Payable to Contractors		376,101	289,939
Total Trade and Other Payables		<u>401,745</u>	<u>299,036</u>

NOTE 8 - DISTRIBUTIONS PAYABLE

Distribution payable to Growers	10	<u>-</u>	<u>-</u>
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NOTE 9 - CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with profit/(loss) after Income Tax

Loss after income tax		13,341	(259,926)
Cash flows excluded from profit attributable to operating activities			
Add back Growers Distribution deemed financing cashflow		-	682,970
Changes in assets and liabilities		-	-
(Increase)/Decrease in receivables		(116,436)	814,733
Increase/(Decrease) in payables		102,709	126,426
Increase / (Decrease) in payable to Growers		-	(682,970)
Cash flows from operations		<u>(386)</u>	<u>681,233</u>

NOTE 10 - GROWERS' DISTRIBUTIONS RECONCILIATION

Opening balance		<u>(259,926)</u>	<u>682,970</u>
Add: 2009 harvest surplus/(deficit)		-	(259,926)
2010 harvest surplus/(deficit)		13,341	-
Less: 2008 harvest distribution paid		-	(682,970)
2009 harvest distribution paid		-	-
Closing balance		<u>(246,585)</u>	<u>(259,926)</u>

The responsible entity may, at its discretion, rather than requiring the growers to pay the deficiency, carry forward the deficiency to be deducted from gross proceeds in later financial years. The responsible entity has resolved not to require the growers in the project to fund this deficit at this time.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

	Note	2010 \$	2009 \$
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	264,989	346,699
Harvest Costs			
Agribusiness Services is responsible for all costs associated with the grape harvest, and is reimbursed directly by the Project.	3	37,952	20,688
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	25,645	8,711
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.		57,720	116,172
Amount outstanding payables/(receivables) from director related parties:			
Trade Payables			
Agribusiness Services Pty Ltd		376,101	289,939
Barossa Vines Ltd		25,644	9,097
Trade Receivables			
Rosedale Wines Pty Ltd		155,160	38,724

ROSEDALE VINES PROJECT
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

NOTE 12 - FINANCIAL INSTRUMENT RISK MANAGEMENT

The Project's financial instruments consist mainly of accounts receivable and accounts payable. The totals for each category of financial instruments, measured in accordance with AASB 139 are as follows:

	Note	2010	2009
		\$	\$
Financial assets			
- Cash and cash equivalents	5	-	386
- Trade and other receivables	6	155,160	38,724
		<u>155,160</u>	<u>39,110</u>
Financial liabilities			
- Trade and other payables	7	401,745	299,036
		<u>401,745</u>	<u>299,036</u>

Financial Risk Management Policies

The Project's RE provides treasury services to the Project, co-ordinates access to domestic and international financial markets, and manages the financial risks relating to the operations of the Project. The Project does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The use of financial derivatives is governed by the Project's policies approved by the board of directors of the RE, which provide written principles on the use of financial derivatives. Compliance with policies and exposure limits is reviewed by the Compliance Committee on a continuous basis. The Project's activities expose it primarily to the financial risks of changes in interest rates. The Project does not enter into derivative financial instruments to manage its exposure to interest rate risk.

Specific Financial Risk Exposures and Management

The main risks the Project is exposed to through its financial instruments are liquidity risk and credit risk.

(a) 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 impairment for doubtful debts, as disclosed in the Statement of Financial Position and notes to the financial statements.

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

(b) Liquidity Risk

Liquidity risk is managed on a group basis by the directors. The directors manages the liquidity risk by continuously monitoring cash flows 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 Project for similar financial instruments.

**ROSEDALE VINES PROJECT
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010**

NOTE 13 - RESPONSIBLE ENTITY DETAILS

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

NOTE 14 - 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.

NOTE 15 - 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 \$23,300,000. 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 International Financial Reporting Standards as disclosed in Note 1; and
 - (b) Give a true and fair view of the financial position as at 30 June 2010 and performance for the year ended on that date of the Project.
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 29th day of OCTOBER 2010

Level 1,
67 Greenhill Rd
Wayville SA 5034
GPO Box 1270
Adelaide SA 5001

T 61 8 8372 6666
F 61 8 8372 6677
E info.sa@au.gt.com
W www.grantthornton.com.au

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

We have audited the accompanying financial report of Rosedale Vines Project (the "Scheme"), which comprises the statement of financial position as at 30 June 2010, and the 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 to the financial report and the directors' declaration.

Directors' responsibility for the financial report

The directors of Barossa Vines Limited (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 are 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. The directors also state, in the notes to the financial report, 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 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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

Auditor's responsibility Cont

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.

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.

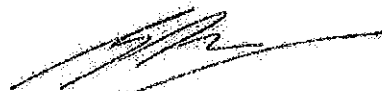
Auditor's opinion

In our opinion:

- a the financial report of Rosedale Vines Project 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 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 the notes to the financial statements.

Grant Thornton

GRANT THORNTON SOUTH AUSTRALIAN PARTNERSHIP
Chartered Accountants



SJ Gray
Director – Audit & Assurance Services

Adelaide, 29 October 2010