Comprising

Cheviot Kirribilly Vineyard Property Trust
(ARSN: 118 614 047)

Cheviot Kirribilly Vineyard Property Limited
(ACN: 117 194 475)

Appendix 4E

Preliminary Final Report

For Year Ended 30 June 2009

Cheviot Kirribilly Vineyard Property Group

Results for Announcement to the Market

Results for the year ending 30 June 2009		
Profit and Loss	**'000**	**Change**
Revenue from ordinary activities	$7,137	- 8.8%
Loss from ordinary activities after tax attributable to security holders	($4,010)	- 831.7%
Net loss attributable to security holders	($4,010)	- 831.7%

Dividends / Distribution (per stapled security)	**30 June 2009**
Final - Dividend / Distribution	Nil
Record date	N/A
Payment date	N/A
Other information	
Net Tangible Assets per security – post payment of dividend / distribution	$1.94
Earnings per stapled security, represented by: o Earnings per unit (Trust) o Earnings per share (Company)	- 30.24 cents per stapled security - 24.16 cents per unit - 6.08cents per share
Full year Dividend / Distribution o FY 09 Distribution cash (current security price) o FY 09 Distribution pre-tax (current security price)	Nil N/A N/A

Cheviot Kirribilly Vineyard Property Group

Commentary on the Results for the Period

- The results reflect the economic changes occurring in the Australian Wine Industry. Excess grape production capacity is dictating grape price levels while at the same time poor returns on capital are seeing many production facilities on the market.
- CKP's profitability is leveraged to grape prices as costs of production are relatively fixed and stable.
- The financial accounts for the year ended 30 June 2009 reflect the operations of Cheviot Kirribilly Vineyard Property Group ("CKP") for the full financial year. Net loss after tax (including an Impairment Write-down of $3.204 million) was $4.010 million (2008: profit of $0.548 million) earned on revenue from grape receipts and wine sales of $7.137 million (2008: $7.827 million). The Net Loss after tax excluding the Impairment Write-down was $806k.
- Revenue from Ordinary Activities was $7.137m, 8.8% less than 2008 as a result of lower than expected grapes prices.
- Costs of Vintage came in below budget but are up on 2008 after taking into account a full year of Woodstock Road costs.
- There were no distribution paid during the year as CKP invested in vineyard infrastructure to protect vineyard quality and values. Investment in vineyard infrastructure was the equivalent of 7 cents per stapled security.
- Vineyard valuations were undertaken by Knight Frank for all vineyards in the portfolio. An impairment loss of $3.2m has been recognized and Directors believe that the valuations reflect the current fair values of the assets at year end. CKP's gearing ratio at 30 June 2009 was 48% and within the required LVR of 50%.
- NTA for the year has fallen from $2.36 to $1.94 per stapled security, a decline of 17% as a result of vineyard impairment and infrastructure investment.

Cheviot Kirribilly Vineyard Property Group

Returns to shareholders including distributions and buy backs: See attached Annual Report
Significant features of operating performance: See attached Annual Report
The results of segments that are significant to an understanding of the business as a whole: See attached Annual Report
Discussion of trends in performance: See attached Annual Report
Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: See attached Annual Report

Audit/Review Status

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	✓	The accounts have been subject to review	
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: n/a
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: n/a

Attachments Forming Part of Appendix 4E

Attachment #	**Details**
1	Annual Report

Signed By (Company Secretary)	
Print Name	Steven Charles McDowell
Date	27th August 2009

ANNUAL REPORT 2009

The investment objective of CKP is to return investors a combination of tax effective income yield and capital growth over the medium term

CORPORATE REGISTER

Cheviot Kirribilly Vineyard Property Group is a listed stapled security comprising the securities of:

- Cheviot Kirribilly Vineyard Property Trust; and
- Cheviot Kirribilly Vineyard Property Limited

ASX Code: CKP

Directors

Tidewater Funds Management Limited (responsible entity) and Cheviot Kirribilly Vineyard Property Limited

Non-Executive Directors

- Mr Geoff Scott (Chairman)
- Ms Roseanne Healy

Executive Directors

- Mr Sean Edwards – Executive Director, Business Development
- Mr Robert Stanway – Managing Director, Kirribilly Viticulture
- Mr Andrew Brown – Managing Director, Tidewater Funds Management Limited

Company Secretary

- Mr Steven McDowell

Registered Office
Level 4
34 Hunter Street
Sydney NSW 2000

Telephone: 02 8258 0000
Fax: 02 9230 0922

Share Registry
Registries Limited
PO Box R67
Royal Exchange
Sydney NSW 1223

Phone: 02 9290 9600
Fax: 02 9290 0664
Email: registries@registries.com.au

CKP Auditor
PricewaterhouseCoopers
Freshwater Place
2 Southbank Boulevard
Southbank VIC 3006

Custodian
Trust Company of Australia Ltd
Level 4, 35 Clarence Street
Sydney NSW 2000

Bankers
National Australia Bank
330 Collins Street
Melbourne VIC 3000

CALENDAR

Year End

- 30 June 2009

Record for Final Distribution / Dividend Payment

- N/A

Final Distribution / Dividend Payment

- N/A

Annual Report dispatched

- Mid October 2009

Annual General Meeting

- 18 November 2009

Half year end

- 31 December 2009

Interim Distribution / Dividend Payment

- N/A

Record Date for interim Distribution /Dividend Payment

- N/A

Annual General Meeting

Sebel Playford Hotel
120 North Terrace
Adelaide SA 5000

18 November 2009 at 2.30 pm

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Manager's Report and Operational Review

Grape growers in Australia have arrived at the Rubicon.

In the latest 2009 vintage, it is now clear that grape prices have collapsed, with numerous district weighted average ("DWA") prices some 25% below the prior 2008 vintage, despite the marginally lower tonnages of grapes produced. Whilst a reduction of DWAs was envisaged, the quantum is well above most reasonable forecasts and represents the culmination of a concerted campaign by grape buyers – mainly the larger wine producers – to lower their input costs and de facto reduce Australia's wine surplus. Their behaviour is, of course, being driven by factors such as the higher Australian dollar, retailer consolidation and desires for further efficiencies.

The fact now remains that many grape growers face the choice of four unpalatable alternatives:

- Bankruptcy;
- Government financial assistance to remove vines, turn over the land to alternative use and move on;
- Attempted sales at well below perceived values four or five years ago, into a vineyard market swollen by the desires of at least two major integrated wine producers to reduce their levels of fixed capital; or
- Subsistence living with no return on capital given that grape prices in some varietals and areas appear to reflect little more than the basic cost of production.

The commentary which follows needs to be seen in the context that 2009 was without doubt the year that will lead to a further shakeout in the domestic grape growing/wine industries. The CKP Boards and Manager are attempting to reshape the Cheviot Kirribilly Vineyard Property Group ("CKP" or "CKP Group") in a manner which ensures the CKP Group can face up to these fundamental challenges, which while apparent for a number of years, have gained in ferocity very quickly. Whilst the CKP Group has a series of quality properties, producing quality produce, quality is not a prized attribute at the present time. Price is the dominant force and we will be faced with significant change to ensure we can produce future returns to shareholders.

It is worth remembering that CKP Group operates with "airline-style" economics. Yield (the equivalent of kilometres flown versus available seats) AND price (the equivalent of cents per kilometre flown) are both significant factors against a relatively fixed cost base. As we will discuss, the larger Langhorne Creek vineyards suffered badly in both respects in the 2009 financial year.

The 2009 Vintage

The 2009 Vintage returned to a more "normal" vintage time frame than recent vintages; that being the months of February to April / May. Climatic conditions played their part with hot weather conditions across South East Australia during January and February, the effect of ongoing water irrigation restrictions, low rainfall and bush fires in Victoria all impacting on the 2009 Vintage. Total grape production for 2009 is estimated to be 1.71 million tonnes, a decline of approximately 6% from 2008. White grape production is expected to fall more relative to red grape production due to the predominance of white grapes in the warm inland regions. Overall prices were dramatically lower than 2008, with even the relatively valuable pinot noir and sauvignon blanc prices significantly reduced.

Water continues to be a key concern with River Murray water allocations starting the season at 2% allocation before increasing to 18% for the remainder of 2008-2009. The price of water remained relatively stable throughout 2009 as growers avoided the mistakes of 2008 where many growers purchased expensive irrigation water (up to $1000/ML) with the expectation of higher prices due to a forecast lower yielding vintage. In reality, the additional irrigation water led to a larger than expected vintage that further suppressed grape prices and resulted in many growers being unable to recover the cost of additional irrigation water.

CKP Vintage

In the July 2009 edition of "The Grapevine" – the quarterly ASX release of CKP Group - we noted that CKP's vintage largely followed that of the Australian Wine industry in general. Lack of rainfall and water allocations continued to play a key role leading up to Vintage, especially taking account of the heat-wave that impacted South Eastern Australia. It has also led to salinity levels increasing exponentially at Lake Alexandrina from where CKP draws its irrigation water for the Langhorne Creek vineyards. CKP has addressed this issue for the 2010 Vintage by purchasing a desalination plant located on its property, as well as investing in the Community Creek Pipeline being built by the Government. Together, the

investments in water infrastructure have improved the viability of the vineyards and their ability to produce good quality yields.

The Clare Valley vineyards had an exceptional 2009 vintage. The addition of 9 frost fans to the 4 fans already present at Kirribilly Estate 1 substantially reduced the risk of frost incidents. This investment decision has already paid for itself with 2009 yields up 41% compared to 2008. Yields at the Tullymore Estate vineyard benefited from additional water resources and were also up by 71% on a low yielding 2008.

The heat-wave and salinity issues had a greater bearing on the Langhorne Creek vineyards than the other regions. Birchmores Estate, the portfolio's largest vineyard, saw yields fall by 29% compared with 2008, largely due to the aforementioned climatic conditions. Woodstock Road faired slightly better with yields down over 9% against 2008 yields. The Adelaide Hills region saw the Angas Creek 1 vineyard report a fall in yield of 25% compared with 2008 as a result of the valuable pinot noir variety yielding below expectations and a small frost event. Angas Creek 2, also in the Adelaide Hills, saw yields fall 6% against 2008 but were in line with budget expectations. Despite the poor yield profiles in some regions, CKP's strategy of regional diversification has again shown its merit with overall yields down only 80 tonnes or just over 1% when compared with 2008.

CKP had 66% of its portfolio contracted leading into the 2009 vintage. The remaining 34% that was uncontracted was a material liability given the current oversupply situation, however this was reduced to less than 4% by the time vintage was completed. The uncontracted fruit was processed into bulk wine inventory and has contributed to an increase in Vintage Costs in 2009. Contract negotiations are being finalised later than normal as producers determine the yield supply from their own vineyards before entering into an annual contract. The long term fixed price contracts that were prevalent when CKP was established are now being replaced by annual DWA priced or Company Market contracts that are being agreed later and later in the season. The changing nature of grape contracts sees growers facing increased uncertainty, expected to grow a crop without the certainty of being able to sell the grapes after Vintage.

Grape prices for the 2009 Vintage were lower than was initially forecast at the beginning of the 2009 financial year. The late contract negotiations and the oversupply saw prices take a material step down on 2008, with some varieties sold at the marginal cost of production rather than incur the additional cost of processing into bulk wine. CKP seeks to sell all its vintage produce and avoid retaining bulk wine inventory for future sale. The Adelaide Hills region saw overall prices fall between 15-40% compared with 2008 as a result of grapes being sold at the cost of production and the "valuable" varieties, such as pinot noir, yielding up to 40% less than 2008. The Clare Valley region saw overall revenue up on 2008 despite grape prices falling between 5-20%. The Langhorne Creek region was the hardest hit by the climatic conditions and saw prices fall between 10-65% depending of the variety. The largest Langhorne Creek vineyard had a material amount of uncontracted grapes leading into Vintage 2009 and this contributed to the reduction in overall grape prices.

2009 Financial Results

The financial results for 2009 were below those of 2008 due to a sharp fall in grape prices flowing directly through to revenue, which with a largely fixed cost base, flows straight through to profitability.

Revenue from continuing operations came in $700k or 9% lower than 2008 as grape prices paid by wine producers continued to trend lower across the portfolio.

The net loss after tax was $4.01 million for the year, including an asset impairment charge of $3.2m. Excluding the one off asset impairment expense, the Net Loss after tax for the year was $806k, an adverse movement of $1.3m from 2008.

Vintage Costs were up 7% on last year largely due to the cost of uncontracted grapes being processed into bulk wine inventory. Viticulture operating costs were managed extremely well, coming in under an already tight budget and only slightly above 2008 despite taking into account a full year of Woodstock Road costs. The vineyard managers and the viticulture team are to be commended for managing costs during a difficult time.

Vineyard valuations were conducted by Knight Frank for the year ending 30 June 2009 and saw an asset impairment of $3.2m or a 7% reduction across the portfolio. In light of the conditions facing the industry, the Directors believe the relatively small reduction supports their initial decision to conservatively value the vineyards and refrain from valuation increases over the last 3 years. CKP's portfolio is now valued at $42.3 million once vineyard specific infrastructure is included.

NTA for the year has fallen from $2.36 to $1.94, a decline of 17.8% from 30 June 2008. The NTA reduction was the result of the reductions in vineyard values and capital expenditure commitments.

Significant capital expenditure was committed to during the year to upgrade vineyard quality and protect vineyard values. In total, 7 cents per stapled security was spent on capital expenditure during 2009. This includes frost fans at Kirribilly Estate 1, a desalination plant at Birchmores Estate, investment in water pipeline infrastructure in the Langhorne Creek region for better quality water, water bore establishment, an equipment shed and replanting of more valuable varieties in the Adelaide Hills.

As a result of the capital expenditure requirements and lower than expected revenue, no interim or final dividend was paid in 2009.

Debt Facilities and Bank Covenants

CKP's Loan to Value Ratio is 48% after the asset impairment and continues to remain below its covenant of 50%.

CKP breached its Interest Cover covenant as a result of the revenue shortfall. The financier has indicated that it will issue a non-waiver letter and will reserve its right to take action to bring the covenant back into line. The issuance of a non-waiver letter by the financier means that CKP will state its non-current debt as current debt in these financial accounts.

CKP's long term debt expires in 2011 subject to compliance with banking covenants.

Future Outlook

It appears that 2009 may be the vintage that is the catalyst for an industry rationalisation as the economics of the industry continue to deteriorate.

Firstly, the annual oversupply of grapes together with inventory stockpiling from earlier vintages has seen grape prices fall to levels that are at or below the marginal cost of production. Growers who began the year without a grape contract and remained uncontracted at vintage time have been forced to sell their grapes at extremely low prices in an attempt to recover part of their costs (their investment). Wine companies were proactive in managing grower expectations by communicating early in 2008 that they would be taking delivery of a smaller quantity of grapes than in previous vintages. The communication has continued for the 2010 vintage with producers offering to buy out long term contracts and notifying yearly / spot market growers that the intake will be further reduced from 2009. Media articles and industry commentators have reported the growing frustration from many growers and it appears that 2009 might be the year when many marginal growers decide enough is enough and exit the industry.

Secondly, vineyard values are no longer supporting the return on capital demanded by investors and a large number of vineyards have been added to the market. The fall in yearly revenue through reduced grape prices and the fixed cost nature of the industry has seen return on capital fall significantly. Vendors include global wine companies as well as small growers, with the total value available estimated to be more than $450 million. Only isolated sales have been reported to date and vineyard values will remain suppressed while the vineyards overhang the property market or are taken out of production and used for alternative purposes. CKP's strategy on its ASX listing was to grow the assets of the trust through acquisition. CKP reviewed over 30 transactions in its first 18 months and found that, in general, vendor expectations were too high. As with many other property markets around the world, the cycle appears to have turned and vendor expectations are now more realistic. CKP's discipline of not overpaying for assets during the boom years means that it is less exposed to asset impairment than many other industry participants, whilst still not immune from other forces within the industry.

Thirdly, while grape prices and consequently revenue have been falling, the cost of production has continued to rise. The cost of inputs including the additional cost of purchasing irrigation water has seen the breakeven equation per hectare tighten further.

Lastly, the strength of the Australian Dollar and the emergence of low cost of production countries including South Africa, Chile and Argentina has seen Australia's oversupply "release valve" of exporting excess bulk wine dry up. Wine producers are now limited in their avenues to sell excess volume and are reducing their annual intake to avoid being left with inventory. This is effectively pushing the oversupply issue to the grower level.

Corporate

CKP's initial strategy was to focus on building up its vineyard assets through acquisition. The stapled security structure that is CKP was designed to support a larger revenue base and is difficult to sustain on a smaller revenue base than planned. The cost of the stapled structure is quite high given the size of its assets and the planned for economies of scale surrounding certain fixed costs have not materialised. CKP is currently undertaking an assessment of all input costs, both corporate and viticulture, to identify further areas of efficiency and cost savings. Identified efficiencies and cost savings will be implemented immediately.

Recent trends in the Australian REIT and Infrastructure sector has seen externally managed entities review their management arrangements and move towards internalisation. The most publicised examples include certain of the Macquarie Group managed vehicles and the former Babcock and Brown Japan Trust. CKP has been reviewing the internalisation of its Viticulture Manager and Asset Manager. An internalisation of both of the managers could see significant cost and efficiency savings flowing through to investors, although future dividend payments will be dependent on the playing out of the economic forces at work within the grape growing industry.

Vintage 2010

The impacts of modest water allocations, bought out contracts and significantly lower product prices allied to the higher level pressures on winemakers would, in a rational industry, result in a significant contraction in supply. This is, however, the grape growing industry, where economic rationalism doesn't always prevail, at least in the short to medium term. It's why 2010 should be a pivotal year for the industry but many participants will continue to hang on and take the subsistence living option highlighted earlier in our report. Hence, whilst we would like to presage an improved year, the caveats for such comments are as great as ever. We have detailed the investment in vineyard infrastructure over 2009 and have attempted to optimise our positioning, particularly in respect of water resources, where additional water was purchased in 2009 for carryover purposes, which should assist in meeting much of our needs until allocations increase.

CKP's portfolio is 35% uncontracted for the 2010 Vintage and it is expected that contract negotiations will follow a similar format to 2009 and not be finalised until the end of 2009 or beginning of 2010. With yields at the Birchmores vineyard expected to improve over the sub-normal 2009 outcome and a stabilisation of prices, we hope to see an improved result in the 2010 year. Returns to shareholders do, however, rest both not just on these factors, but a corporate restructuring and patience of debt and equity providers.

Lachlan Batchelor

Investment Manager

Tidewater Property Management

CHEVIOT KIRRIBILLY VINEYARD PROPERTY GROUP
Directors' Report – 30 June 2009

The directors of Tidewater Funds Management Limited ("TFM") the responsible entity for Cheviot Kirribilly Vineyard Property Trust (the "Trust") together with the Directors of Cheviot Kirribilly Vineyard Property Limited (the "Company"), present their report together with the consolidated financial report of Cheviot Kirribilly Vineyard Property Trust and its controlled entity (the "Consolidated Entity") for the year ended 30 June 2009.

The units in the Trust are 'stapled' to the shares in Cheviot Kirribilly Vineyard Property Limited (the "Company"). These entities form Cheviot Kirribilly Vineyard Property Group (the "Group" or "CKP"). A stapled security comprises one Company share and one Trust unit. The shares and units cannot be traded or dealt with separately.

Directors

TFM was appointed as responsible entity of the Trust on 1st February 2008.

The following persons were directors of the responsible entity of the Trust, Tidewater Funds Management Limited (formerly Cheviot Kirribilly Limited) and Cheviot Kirribilly Vineyard Property Limited for the year and up to the date of this report, unless otherwise stated:

Geoff Scott – Chairman
Robert Stanway - Executive Director
Sean Edwards - Executive Director
Roseanne Healy – Non-Executive Director
Andrew Brown – Executive Director

Principal activities

The principal activity of Cheviot Kirribilly Vineyard Property Group is the ownership and operation of vineyard properties. The Trust owns the vineyards and leases them to the Company. The Company operates the vineyards and sells the grapes to third party producers.

The Company has appointed Kirribilly Viticulture Pty Ltd ("the viticulture manager") as its viticulture manager. Both the Trust and the Company have appointed Tidewater Property Management Pty Ltd ("the asset manager") as asset manager to assist in the promotion of CKP and to source and develop assets and capital in line with the strategic objectives of CKP.
The business commenced with the acquisition of the Kirribilly vineyards completed on 3 May 2006. The business operates in Australia only.

The Cheviot Kirribilly Vineyard Property Group has no employees.

Distributions and Earnings

The nature of the stapled security structure is that the EPS of Cheviot Kirribilly Vineyard Property Group comprises the earnings attributed to the Trust of -$0.2416 per unit together with the earnings attributed to the Company of -$0.0608 per security. When considered as a stapled security, the EPS is -$0.3024 per CKP security. This reflects the full year income from grape receipts and operations of the Vineyards which were adversely affected by climatic conditions this year.

Distributions declared in respect of the period ended 30 June 2008 were $0.794 million, which is equivalent to 6.0 cents per stapled security. The distribution breakdown is as follows:

	2009 $'000
Final Trust distribution of $0.037 per unit payable on 29 August 2008	486
Final Company dividend of $0.023 per share payable on 29 August 2008	308
	794

There were no distributions declared in respect of the period ended 30 June 2009.

Review of operations

The financial accounts for the year ended 30 June 2009 reflect the operations of Cheviot Kirribilly Vineyard Property Group for a full year. Net loss after tax was $4,010,000 (2008: profit of $548,000) struck on revenue from grape receipts and sale of bulk wine of $7.1 million (2008: $7.8 million).

The results reflect an improvement in yields on the 2008 Vintage however offset by a decline in wine sales. The results have also been materially affected by an Impairment loss of $3.2 million emanating from independent vineyard valuations performed over the vineyard portfolio effective 30 June 2009.

For a more detailed review, please see the Managers Report and Operational Review on pages 4-7.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of CKP.

Matters subsequent to the end of the financial year

There were no matters subsequent to the end of the financial year.

Likely developments and expected results of operations

Except as documented above, information on likely developments in the operations of Cheviot Kirribilly Vineyard Property Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation

Whilst Cheviot Kirribilly Vineyard Property Group is not subject to significant environmental regulation in respect of its activities, the directors of CKP are satisfied that adequate systems are in place for the management of its environmental responsibility and compliance with the various licence requirements and regulations. Further, the directors are not aware of any material breaches to these requirements and to their best knowledge all activities have been undertaken in compliance with environmental requirements.

Information on directors and company secretary

Non-Executive Directors

Geoff Scott
B.Com, MBA,
AICD, FFin, ASA

Non-executive director and Chairman

Experience
Age 58
Mr Scott has over 35 years senior executive experience across a broad range of roles in the financial service, investment management and resource industries – both domestically and internationally. His senior management roles have been in the areas of financial management, treasury, information systems and technology, audit and risk management, investment portfolio and private equity investment and funds management.

Special Responsibilities
Chairman of the CKP Audit and Risk Management Committee

Other Directorships of listed companies - current and in past 3 years
Nil

Interest in Stapled Securities
2,500 securities

Roseanne Healy
B.A, MBA

Non-executive Director

Experience
Age 43
Ms Healy is an experienced Company Director with extensive experience providing advice to a wide range of listed and unlisted companies across many industries in the areas of governance, public and private partnerships, major infrastructure projects, strategic planning, marketing, re-structuring and socio economic impacts.

Special Responsibilities
Member of CKP Audit and Risk Management Committee and CKP Compliance Committee

Other Directorships of listed companies - current and in past 3 years
Great Artesian Oil and Gas Limited (Non-executive director during 2006)
Maximus Resources Ltd (Alternate Non-executive director since 2009)
Marmota Energy Ltd (Alternate Non-executive director since 2009)
Interest in Stapled Securities
Nil

Executive Directors

Robert Stanway
B.Ec, FTIA, CA

Executive Director

Experience
Age 51
Mr Stanway has been involved in the management of vineyards since 1983 through his vineyard interests in Watervale and Armagh regions of the Clare Valley, Langhorne Creek and in the Adelaide Hills. Mr. Stanway is also a director of the Kirribilly vineyard management group where his focus is on the financial management and strategic planning of the vineyards under management. As a founding director with Sean Edwards of the Kirribilly businesses, Mr Stanway has had hands on involvement in the planning, management and successful establishment of vineyards in Clare, Langhorne Creek and Adelaide Hills. Mr Stanway is also a director of a number of Clare based businesses.

Mr Stanway is currently the Managing Director of Kirribilly Viticulture, CKP's viticulture manager.

Special Responsibilities
Member of CKP Audit and Risk Management Committee
Responsible Officer of TFM

Other Directorships of listed companies - current and in past 3 years
Cheviot Bridge Limited (Non-executive director since 2006)

Interest in Stapled Securities
1,413,286 securities

Sean Edwards
MREI & MICD

Executive Director

Experience
Age 47
Mr Edwards has been involved in the wine industry as a grower throughout his life and his family's ownership in Clare vineyards. Mr Edwards and his family have substantial vineyards holdings in the Clare Valley and Adelaide Hills. With Robert Stanway, Mr Edwards has guided the development of the Kirribilly vineyard management group in successfully establishing over 1,200 hectares of vineyards in South Australia over the last 12 years. He and Mr Stanway continue to expand their original commercial property business Australia-wide through their involvement with a Melbourne based property development company, Acdev. He has been the Chairman of the private Clare Valley wine company Kirrihill Wines for the past nine years. Prior to that Mr Edwards was formerly the Managing Director of a Clare Based real estate agency and project management company specialising in the development of large scale residential and commercial projects over a period of ten years prior to the establishment of the Kirribilly businesses.

Special Responsibilities
Responsible Officer – TFM

Other Directorships of listed companies - current and in past 3 years
Cheviot Bridge Limited (Non-executive director since 2006)

Interest in Stapled Securities
1,212,024 securities

Andrew Brown
B.A (Econ) Hons

Executive Director

Experience
Age 50
Mr Brown has 29 years experience in the Australian equity market as a stockbroker, corporate investor and funds manager. Mr Brown has an honours degree majoring in economics and econometrics from the University of Manchester, England.

Special Responsibilities
Nil

Other Directorships of listed companies - current and in past 3 years
Adelaide Resources Limited (Non-executive director since 2009)
Cheviot Bridge Limited (Non-executive director since 2003)
Equities and Freeholds Limited (Executive Chairman from 2007)
Fat Prophets Australia Fund Limited (Non-executive director since 2005)
Mariner Wealth Management Limited (Non-executive director from 2005 to 2006)
Retail Star Limited (Non-executive director from 2004 to 2006)
Snowball Group Limited (Non-executive director from 2003 to 2007)
Tidewater Investments Limited (Managing director since 2003)

Interest in Stapled Securities
1,058,100 securities held in the name of Rowe Street Investments Pty Limited being a controlled entity of Tidewater Investments Limited of which Mr Brown is a director and substantial shareholder.

Steven McDowell **Company Secretary**
B.Com FCPA

Experience
Age 55
Mr McDowell has an extensive background in finance and accounting for public companies over the past 20 years. He has particular expertise in the Resources Sector having worked with Mosaic Oil NL for 6 years as Financial Controller and Company Secretary immediately prior to joining the company. He has also been employed in senior accounting roles for other oil and gas companies such as Cultus Petroleum NL, Santos Limited, Peko Oil Limited and Peko Wallsend Limited.

Special Responsibilities
Company Secretary of CKVPL and TFM

Other Directorships of listed companies - current and in past 3 years
Nil

Interest in Stapled Securities
Nil

Meetings of directors
The numbers of meetings of the Company's and of TFM's Board of Directors and of each board committee held during the year ended 30 June 2009 that it (TFM) acted as the responsible entity of the Trust, and the number of meetings attended by each director were:

	Full Meetings of Directors		Meetings of Non-executive Directors		Meetings of CKP Audit and Risk Management Committee		Meetings of CKP Nomination and Remuneration Committees	
	A	T	A	T	A	T	A	T
Geoff Scott	8	9	0	0	2	2	0	0
Sean Edwards	8	9	**	**	*	*	0	0
Robert Stanway	9	9	**	**	2	2	0	0
Roseanne Healy	9	9	0	0	2	2	0	0
Andrew Brown	7	9	**	**	*	*	0	0

A – Number of meetings attended
T – Number of meetings held during the time the director was in office or was a member of a committee during the year
*** Not a member of the relevant committee**
**** Not a non-executive Director**

Remuneration report

Principles used to determine the nature and amount of remuneration

Executive Remuneration

Neither Cheviot Kirribilly Vineyard Property Trust nor Cheviot Kirribilly Vineyard Property Group has any direct employees. The Executive Directors of Tidewater Funds Management Limited and Cheviot Kirribilly Vineyard Property Limited, representing Tidewater Property Management Pty Limited are employed by Tidewater Investments Limited, while those representing Kirribilly Viticulture Limited are employed by Cheviot Bridge Limited.

CKP has service and asset management arrangements with Tidewater Property Management Pty Limited and viticulture management arrangements with Cheviot Bridge Ltd and various subsidiaries within the Cheviot Bridge Group to provide the required resources to operate CKP. Details of the fees paid for management services are detailed in the related party disclosures within the financial statements.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive director fees and payments are reviewed annually by the Board. The Chairman's fees are determined independently to the fees of non-executive directors based on the comparative roles in the external market. Non-executive directors do not receive shares or options as part of their remuneration.

Directors' fees were last reviewed with effect from 30 November 2007 coinciding with membership alignment of both CKVPL and TFM Boards. The Chairman's and non-executive director's remuneration is inclusive of committee fees and includes superannuation contributions and are determined within an aggregate directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at $500,000 in aggregate per annum.

Details of Remuneration							
Directors of Cheviot Kirribilly Vineyard Property Group 2009							
	Primary			**Post-employment**		**Equity**	
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Superannuation $**	**Retirement benefits $**	**Options $**	**Total $**
Non-executive Directors							
Geoff Scott (Chairman)	30,000	-	-	-	-	-	**30,000**
Roseanne Healy	15,000	-	-	-	-	-	**15,000**
Executive Directors							
Robert Stanway	-	-	-	-	-	-	**-**
Sean Edwards	-	-	-	-	-	-	**-**
Andrew Brown	-	-	-	-	-	-	**-**
Total	**45,000**	**-**	**-**	**-**	**-**	**-**	**45,000**

2008							
	Primary			**Post-employment**		**Equity**	
Name	**Cash salary and fees $**	**Cash bonus $**	**Non-monetary benefits $**	**Superannuation $**	**Retirement benefits $**	**Options $**	**Total $**
Non-executive Directors							
Geoff Scott (Chairman)	34,166	-	-	-	-	-	**34,166**
Roseanne Healy	6,740	-	-	-	-	-	**6,740**
Paul Batchelor	16,905	-	-	-	-	-	**16,905**
Executive Directors	-	-	-	-	-	-	
Robert Stanway	-	-	-	-	-	-	**-**
Sean Edwards	-	-	-	-	-	-	**-**
Andrew Brown	-	-	-	-	-	-	**-**
Total	**57,811**	**-**	**-**	**-**	**-**	**-**	**57,811**

Specified executives of the consolidated entity
There are no specified executives of the Consolidated Entity other than the Executive Directors.

Share-based compensation (audited)
No options have been issued over the unissued capital of the Cheviot Kirribilly Vineyard Property Group.

Loans to directors and executives
There are no loans to directors and executives at this time.

Shares under option
There are no unissued stapled securities of Cheviot Kirribilly Vineyard Property Group under option at the date of this report.

Shares issued on the exercise of options
No shares were issued on the exercise of options.

Insurance of officers
Insurance cover has been arranged for Directors and Officers of both TFM (the responsible entity) and the Company. The insurance premium has been split between TFM and the Company, so that no insurance premium is paid out of the assets of the Consolidated Entity in respect of insurance cover provided for the directors of TFM.

So long as the officers of TFM act in accordance with the constitution and the law, the officers remain indemnified out of the assets of TFM against losses incurred while acting on behalf of the Trust. TFM is entitled to be indemnified out of the assets of the Trust for any liability incurred in the proper performance or exercise of its powers or duties in relation to the Trust.

So long as the officers of the Company act in accordance with the constitution and the law, the officers remain indemnified out of the assets of the Company against losses incurred while acting on behalf of the Company.

The auditors of the Consolidated Entity are in no way indemnified out of assets of the Consolidated Entity.

Proceedings on behalf of the consolidated entity
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the either the Trust or the Company, or to intervene in any proceedings to which either the Trust or the Company is a party, for the purpose of taking responsibility on behalf of either the Trust or the Company for all or part of those proceedings.

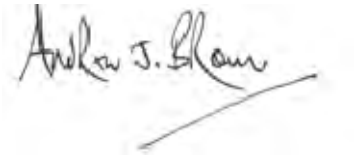
No proceedings have been brought or intervened in on behalf of the either the Trust or the Company with leave of the Court under section 237 of the Corporations Act 2001.

Non-audit services
Neither TFM, the Trust nor the Company has engaged the auditor (PricewaterhouseCoopers) for any non-audit services during the year. A copy of the auditors' declaration as required under section 307C of the Corporations Act is set out on page 15.

Rounding of amounts
The Consolidated Entity is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor
PricewaterhouseCoopers has been appointed as auditors of both the Trust and the Company in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of the directors.



Geoff Scott
Chairman

Andrew Brown
Director

SYDNEY
27 August 2009

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
ABN 52 780 433 757

Freshwater Place
2 Southbank Boulevard
SOUTHBANK VIC 3006
GPO Box 1331
MELBOURNE VIC 3001
DX 77
Telephone 61 3 8603 1000
Facsimile 61 3 8603 1999
Website:www.pwc.com/au

Auditor's Independence Declaration

As lead auditor for the audit of Cheviot Kirribilly Vineyard Property Group Limited 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.

This declaration is in respect of Cheviot Kirribilly Vineyard Property Group Limited during the period.

Paul Lewis
Partner
PricewaterhouseCoopers

Melbourne
27 August 2009

Corporate Governance Statement

This Statement outlines the corporate governance framework of the Cheviot Kirribilly Vineyard Property Group, which was adopted by both TFM, as the responsible entity and the Company on a combined basis.

The framework is supported by the CKP charter, corporate governance code and a number of corporate governance policies that were adopted in December 2007 and which are available on the company website, www.cheviotkirribilly.com.au. Unless otherwise stated, the practices follow the Australian Securities Exchange Corporate Governance Council's (Council) "Corporate Governance Principles and Recommendations (Revised principles) 2nd Edition August 2007".

As recognised by the Council, corporate governance is the system by which companies are directed and managed. It influences how the objectives of CKP are set and achieved, how risk is assessed and monitored and how performance is optimised.

ROLE OF THE BOARD AND MANAGEMENT

The Boards have ultimate responsibility to set policy regarding the business and affairs of CKP for the benefit of the security holders and other stakeholders of CKP. The Boards are accountable to security holders for the performance of CKP. The role and responsibilities of the Boards include but are not limited to:

- overseeing the activities of CKP, including its control and accountability systems;
- contributing to the development of, and approving the investment policy, financial strategy and corporate objectives for CKP and reviewing and evaluating these strategies from time to time;
- monitoring the performance of the Asset Manager as manager and its implementation of strategy;
- considering and approving any investment proposals for the acquisition or disposal of an asset or investment by CKP;
- considering, approving and monitoring capital allocations and capital management by CKP;
- monitoring financial performance including approval of the annual and half-yearly financial reports;
- appointing and, where appropriate, removing the company secretary of the Company and TFM;
- overseeing the operation of CKP's system of internal controls and risk management and compliance with key policies, laws and regulations;
- reporting to security holders;
- implementing corporate governance practices appropriate to CKP and reviewing the operations of those practices;
- overseeing CKP's policies and practices;
- approving the fees and costs and monitoring in relation to the services provided by the vineyard manager, asset manager and Cheviot Bridge Pty Ltd; and
- approving any third party fees.

The Boards have appointed a number of parties to assist in the management and operation of CKP. The following table outlines the responsibilities, resourcing and other relevant details of these arrangements, which are all captured in the relevant service or management agreements:

	Vineyard Ownership and operation	**Trust Management**	**Asset Management**	**Vineyard Management**
Name	o Cheviot Kirribilly Vineyard Property Trust – ownership o Cheviot Kirribilly Vineyard Property Limited – operation	Tidewater Funds Management Limited	Tidewater Property Management Pty Limited	Kirribilly Viticulture Pty Ltd
Ownership structure	Listed	Tidewater Investments Limited	Tidewater Investments Limited	Cheviot Bridge Limited
Responsibilities	o Trust owns vineyards o Leases to Company o Company operates vineyard business o Appoints and monitors Vineyard and Asset Manager	o Acts as responsible entity of Trust o Appoints and monitors Registry, Custodian o Appoints and Monitors Asset Manager	o Advise on strategy o Source capital and finance o Appoint and Monitor Vineyard Manager o Sell, buy and manage viticulture assets o Develop assets o Investor relations for CKP o Sells grapes	o Maintains vineyards o Capital works on vineyards o Harvesting o Plant and Equipment
Management	o Andrew Brown o Sean Edwards	o Andrew Brown (RO) o Sean Edwards (RO) o Robert Stanway (RO) o Sarah Keogh (RO)	o Andrew Brown (RO) o Sean Edwards (RO)	o Robert Stanway

RO indicates Responsible Officer under appropriate Australian Financial Services License

The Company Secretary is charged with facilitating CKP's corporate governance process. The Boards are responsible for ratifying the appointment and removal of the Company Secretary, as well as the terms and conditions of employment.

The Company Secretary's responsibilities include:

- assisting in developing the effectiveness of the board by ensuring Board policy and procedures are well understood by the Board and to monitor the implementation of these policies and procedures;
- being available to directors for enquiries;
- ensuring the agenda and board papers are forwarded to directors before each board meeting;
- recording, maintaining and distributing the minutes of all Board and Committee meetings;
- maintaining relevant registers and lists in relation to governance issues; and
- ensuring all requirements of the Australian Securities and Investments Commission, Australian Securities Exchange and Australian Taxation Office are fully met.

COMPOSITION OF THE BOARD

The Boards of TFM and Cheviot Kirribilly Vineyard Property Limited comprise two non-executive directors and three executive directors.

As the majority of directors are not independent, the Company does not comply with recommendation 2.1 and 2.2 of the Guidelines. However it is the view of the directors of the Company that the current Board composition is appropriate given that the Chairman is a non-executive director and there is an additional non-executive director. It is also the view of the TFM directors that its Board composition is appropriate based on the appointment of a non-executive Chairman and the role of the independent Compliance Committee.

Accordingly, the Boards believe that given CKP's size and scale, the best interests of shareholders can be served as the Chairman and non-executive director are capable of acting independently on the basis of their experience.

Further, the Boards have adopted a number of measures to ensure that independent judgement is achieved and maintained in respect to its decision-making processes, which include the following:

- Directors are entitled to seek independent professional advice at the TFM or Company's expense, subject to the prior approval of the Chairman;
- Directors having a conflict of interest in relation to a particular item of business must absent themselves from the relevant Board meeting before commencement of discussion on the matter; and

- Non-executive Directors confer on an "as required basis" without management in attendance.

Each Board is balanced in its composition with each current Director bringing to the Board a range of complementary skills and experience as indicated in the Director's report. The Boards will consider the appointment of further Directors if it either feels that additional expertise is required in specific areas, in relation to new markets or when an outstanding candidate is identified.

In addition, the Boards have established the CKP Audit and Risk Committee to assist it in discharging their responsibilities. The principal function and composition of the Committees are set out later in this Statement. It is the policy of the Board that Committees should:

- Where possible, be chaired by an independent Non-Executive Director;
- Where possible comprise a majority of independent Non-Executive Directors;
- Be entitled to obtain independent professional or other advice at the cost of CKP; and
- Be entitled to obtain such resources and information from CKP, including direct access to employees of and advisers to CKP, as it may require.

Given the size and nature of the Boards, the functions of both Nomination and Remuneration Committees are performed by each Board as a whole.

The Chairman is responsible for leading the Board in the discharge of its duties. The management and operation of CKP is outlined above and is separated from the duties of the Chairman.

The Boards' self evaluation performance process is described further below.

The Boards have determined however that should size, scale and circumstances permit a majority of directors will be independent non-executive Directors.

ETHICAL AND RESPONSIBLE DECISION MAKING

It continues to be the policy of CKP for directors, officers and employees to observe high standards of conduct and ethical behaviour in all of CKP's activities. This includes dealings with suppliers, business partners, regulatory authorities and the general communities in which it operates. The Boards formally adopted a Code of Conduct that sets out the principles and standards with which all CKP officers and employees (including those of outsourced providers) are expected to comply in the performance of their respective functions.

The key values underpinning the Code of Conduct are as follows:

- maintaining good corporate governance standards;
- acting with fairness, honesty and integrity;
- ensuring compliance with legal and other obligations in respect of CKP's key shareholders, to ensure that CKP is dedicated to the broader community and ensuring its role in the community is an honest, legal and ethical one;
- maintaining the highest standards of professional behaviour;
- avoiding or managing conflicts of interest; and
- striving to be a good corporate citizen, and to achieve community respect.

It is CKP policy that directors and employees seek authorisation approval before buying or selling securities in CKP. The Boards recognise that it is the individual responsibility of each director and employee in possession of market sensitive information to ensure they comply with the spirit and the letter of insider trading laws. Any such authorisation by the Board does not constitute Board endorsement of any transaction.

The Boards have established a policy that approval will not be given for directors and employees to trade shares in the Company whilst in possession of price sensitive information and, if not in possession of such information, within the period between 1 December and the announcement of the interim dividend / distribution or the period between 1 June and the announcement of the final dividend / distribution.

INTEGRITY OF FINANCIAL REPORTING

The nominated Chief Executive Officer and Company Secretary of the Trust and the Company each report in writing to the Audit and Risk Management Committee that the consolidated financial statements of CKP for each half and full financial year present a true and fair view, in all material respects, of CKP's financial condition and operational results and are in accordance with accounting standards.

A CKP Audit and Risk Management Committee have been established by the Boards, which meet regularly. The current members of the Audit and Risk Management Committee include two non-executive directors of the entities within CKP. Details of their attendance at Committee meetings are set out in the Director's Report.

The Boards consider the composition of the CKP Audit and Risk Management Committee is appropriate taking into account the size of the Boards and number of executive directors on the boards and the skills of the current Committee Members to enable them to act independently and effectively. The external auditor and executive directors are invited to meetings of the Audit and Risk Management Committee at the discretion of the Committee. The Committee meets at least twice a year.

The Boards adopted a formal Charter for the CKP Audit and Risk Management Committee in July 2006. The Charter is structured so as to separately address objectives, membership, authority, responsibilities and procedures of the Committee.

The objectives of the Committee include:

- overseeing the Boards' responsibilities with respect to:
  - the financial statements, financial report and annual report of CKP and any other schemes for which TFM acts as responsible entity;
  - legal and regulatory compliance matters that fall outside the scope of the Compliance Committee established by TFM; and
  - risk management systems;
- overseeing the relationship with the external auditors; and
- ensuring appropriate corporate governance structures are in place for CKP and other schemes for which TFM acts as responsible entity so that related party transactions and conflicts of interest issues are dealt with adequately.

The Charter is available on the CKP website: www.cheviotkirribilly.com.au.

CONTINUOUS DISCLOSURE TO ASX

The Boards are responsible for monitoring compliance with ASX Listing Rule disclosure requirements and approves each proposed announcement to ASX before it is released. The Company Secretary is responsible, under the ASX listing rules, for all communications with ASX. The Chairman, executive directors and Company Secretary regularly discuss issues relating to CKP's continuous disclosure obligations.

COMMUNICATION WITH SHAREHOLDERS

It is the policy of CKP to communicate with security holders, the market and other stakeholders in an open, regular and timely manner so that they are informed of all major developments affecting CKP and have sufficient information to make informed investment decisions on the operations and results of CKP. Information is communicated to shareholders as follows:

- In light of the recent amendments to the Corporations Act, the 2009 annual report will be available on CKP's website (www.cheviotkirribilly.com.au). Printed copies will only be distributed to shareholders who request a printed copy of the report;
- the half yearly report as at 31 December and Annual Report contain summarised financial information and a review of the operations of the consolidated entity during the period and is released to the Australian Stock Exchange;
- using Registries Ltd, CKP's share registry service provider, to facilitate the delivery of specific documents to

shareholders;

- proposed major changes in the consolidated entity which may impact on share ownership rights are submitted to a vote of shareholders;
- notice of all meetings of shareholders is sent to security holders as required under the Corporations Law; and
- quarterly investor newsletters are being announced on the ASX, published on the CKP website and emailed to shareholders who request to receive the newsletter.

All documents which are released publicly are available on the ASX (www.asx.com.au) company announcements page under the current ASX code CKP and on the CKP website (www.cheviotkirribilly.com.au).

The Boards encourage full participation of shareholders at the Annual General Meeting to ensure a high level of accountability and identification with the consolidated entity's strategy and goals. Important issues are presented to the security holders as single resolutions as a matter of course.

The security holders are requested to vote on the appointment and aggregate remuneration of Directors (in respect of the Company), the granting of options and/or shares to Directors and changes to the constitution (in respect of the Company).

Cheviot Kirribilly Vineyard Property Group's external auditor has been invited to attend the Annual General Meeting.

RISK MANAGEMENT

The Boards are responsible for the oversight of CKP's risk management and control framework. The CKP Audit and Risk Management Committees assist the Boards in fulfilling their responsibilities in this regard by reviewing the financial and reporting aspects of that framework. CKP has implemented a policy framework designed to ensure that CKP's risks are identified and that controls are adequate, in place and functioning effectively. Responsibility for control and risk management is delegated to the appropriate individual within the service provider, asset and vineyard manger. Tidewater Property Management Pty Limited has ultimate responsibility to the Boards for the risk management and control framework.

Areas of significant business risk are highlighted in the annual strategic plan presented to the Boards.

Arrangements put in place by the Board to monitor risk management include:

- reporting to each Board meeting in respect of operations and the financial position of CKP;
- reports by the Chairperson of the CKP Audit and Risk Management Committee and circulation to the Board of the minutes of each meeting of that Committee;
- attendance of appropriate managers at Board meetings whenever required by the Boards; and
- presentations to the Boards by appropriate managers (and/or independent advisers, where necessary) on the nature of particular risks and details of the measures which have been or can be adopted to manage or mitigate the risk.

The Managing Director and Chief Financial Officer report in writing to the Audit and Risk Management Committee that:

- the statement given in accordance with the Council's best practice recommendation 4.1 is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

PERFORMANCE

The Boards have adopted a self-evaluation process to measure their own performance and the performance of their Committees during each financial year. The Chairman conducts confidential discussions with each Director in relation to matters such as work programme, interaction with management and perceived strengths and weakness of each Board and its Committees. The Company Secretary is accountable to the Board, through the Chairperson, on all governance matters. After discussion between the Chairman and Company Secretary, significant performance related issues identified, or changes recommended, are referred to the Board for action in its ongoing development programme.

The Boards are responsible for the appointment of the various service providers. A review of the performance of each provider is conducted on an annual basis by the Board.

REMUNERATION

Details of remuneration have been provided in the remuneration report.

INTERESTS OF STAKEHOLDERS

CKP maintains a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. To ensure this occurs, CKP conducts its business within the Code of Conduct, outlined in Principle 3 of the ASX Best Practice Recommendations, and in accordance with CKP's core values, which are to:

- act with integrity and fairness,
- create a safe, challenging and rewarding workplace;
- respect and protect the environment;
- be commercially competitive; and
- foster a performance driven culture.

The Boards of Directors have responsibility for protecting, guiding and monitoring the business affairs of CKP in the interests of and for the benefit of security-holders.

To fulfil this role, the Boards have responsibility for the strategic direction of CKP, establishing goals for management and monitoring the achievement of goals directly and through its established committees. Responsibility for day-to-day activities of the entity is delegated to the service providers as outlined above.

CHEVIOT KIRRIBILLY VINEYARD PROPERTY GROUP
Financial report – 30 June 2009

This financial report covers Cheviot Kirribilly Vineyard Property Trust as an individual entity and the consolidated entity consisting of Cheviot Kirribilly Vineyard Property Trust and its controlled entity, Cheviot Kirribilly Vineyard Property Limited.

Cheviot Kirribilly Vineyard Property Group is limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Cheviot Kirribilly Vineyard Property Group
Level 4
34 Hunter Street
Sydney NSW 2000

It also covers the Company, Cheviot Kirribilly Vineyard Property Limited.

A description of the nature of the company's operations and its principal activities is included in the directors' report on pages 8 to 15, which is not part of this financial report.

The financial report was authorised for issue by the directors on 27 August 2009.

The directors have the power to amend and reissue the financial report.

Cheviot Kirribilly Vineyard Property Group
Income Statements
For the period ended 30 June 2009

		Consolidated		Parent entity		Company	
	Note	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Revenue from continuing operations	5	**7,137**	7,839	**2,405**	3,280	**7,137**	7,827
Other income	6	**-**	199	**-**	-	**-**	199
Cost of Goods Sold							
Vintage costs	7	**(5,429)**	(5,068)	**-**	-	**(5,429)**	(5,068)
Inventory write-down	7	**(130)**	-	**-**	-	**(130)**	-
Impairment of assets	7	**(3,204)**	-	**(3,204)**	-	**-**	-
Other expenses from ordinary activities							
Administration		**(792)**	(791)	**(548)**	(505)	**(244)**	(286)
Rent on vineyards	7	**-**	-	**-**	-	**(2,405)**	(3,268)
Management fees	7	**(609)**	(509)	**(594)**	(464)	**(15)**	(45)
Finance costs	7	**(1,333)**	(1,511)	**(1,263)**	(1,464)	**(70)**	(47)
Profit/(loss) before tax	7	**(4,360)**	159	**(3,204)**	847	**(1,156)**	(688)
Income tax (expense)/benefit	8	**350**	389	**-**	-	**350**	389
Profit/(loss) for the period	17	**(4,010)**	548	**(3,204)**	847	**(806)**	(299)
Attributable to:							
Equity holders of the Parent (parent interest)	19	**(3,204)**	847	**(3,204)**	847	**(806)**	(299)
Equity holders of other stapled entities (minority interest)	20	**(806)**	(299)	**-**	-	**-**	-
		(4,010)	548	**(3,204)**	847	**(806)**	(299)
Earnings per security for profit attributable to the security holders of the parent							
Basic Earnings Per security (cents)	31	**(24.16)**	7.52	**(24.16)**	7.52	**(6.08)**	(2.65)
Diluted Earnings Per security (cents)	31	**(24.16)**	7.52	**(24.16)**	7.52	**(6.08)**	(2.65)
The above income statements should be read in conjunction with the accompanying notes, including note 31 which presents the following total earnings per security attributable to the stapled equity holders							
Basic Earnings Per security (cents)	31	**(30.24)**	4.86				
Diluted Earnings Per security (cents)	31	**(30.24)**	4.86				

The above income statements should be read in conjunction with the accompanying notes.

Cheviot Kirribilly Vineyard Property Group
Balance Sheets
As at 30 June 2009

		Consolidated		Parent entity		Company	
	Note	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Current assets							
Cash and cash equivalents	9	**88**	243	**88**	29	**-**	214
Trade and other receivables	10	**4,607**	5,294	**456**	1,609	**4,513**	5,086
Inventories	11	**564**	207	**-**	-	**564**	207
Derivative financial instruments	25	**-**	213	**-**	213	**-**	-
Total current assets		**5,259**	5,957	**544**	1,851	**5,077**	5,507
Non-current assets							
Property, plant and equipment	12	**29,956**	28,218	**29,898**	28,158	**58**	60
Biological assets	13	**13,062**	16,266	**13,062**	16,266	**-**	-
Derivative financial instruments	25	**-**	463	**-**	463	**-**	-
Deferred tax asset		**19**	16	**-**	-	**19**	16
Total non-current assets		**43,037**	44,963	**42,960**	44,887	**77**	76
Total assets		**48,296**	50,920	**43,504**	46,738	**5,154**	5,583
Current liabilities							
Trade and other payables	14	**1,062**	715	**26**	59	**1,398**	2,057
Borrowings	16	**19,929**	-	**18,585**	-	**1,344**	-
Provisions	15	**-**	795	**-**	487	**-**	308
Derivative financial instruments	25	**395**	-	**395**	-	**-**	-
Total current liabilities		**21,386**	1,510	**19,006**	546	**2,742**	2,365
Non-current liabilities							
Borrowings	16	**728**	18,147	**728**	18,147	**-**	-
Derivative financial instruments	25	**460**	-	**460**	-	**-**	-
Total non-current liabilities		**1,188**	18,147	**1,188**	18,147	**-**	-
Total liabilities		**22,574**	19,657	**20,194**	18,693	**2,742**	2,365
Net assets		**25,722**	31,263	**23,310**	28,045	**2,412**	3,218
Equity							
Capital and reserves attributed to stapled security holders as:							
Contributed equity	17	**27,369**	27,369	**27,369**	27,369	**206**	206
Hedging Reserve	18	**(855)**	676	**(855)**	676	**-**	-
Retained Earnings	19	**(3,204)**	-	**(3,204)**	-	**2,206**	3,012
Total parent interest		**23,310**	28,045	**23,310**	28,045	**2,412**	3,218
Equity holders of other stapled entities (minority interests)	20	**2,412**	3,218	**-**	-	**-**	-
Total equity		**25,722**	31,263	**23,310**	28,045	**2,412**	3,218

The above balance sheets should be read in conjunction with the accompanying notes.

Cheviot Kirribilly Vineyard Property Group
Statements of Changes in Equity
For the period ended 30 June 2009

	Note	Consolidated		Parent entity		Company	
		2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Total equity at the beginning of the financial period		**31,263**	28,760	**28,045**	24,807	**3,218**	3,953
Profit for the period attributed to parent entity		**(3,204)**	847	**(3,204)**	847	**(806)**	(299)
Profit/(loss) for the period attributed to other stapled security holders (minority interest)		**(806)**	(299)	**-**	-	**-**	-
Changes in the fair value of cash flow hedges		**(1,531)**	390	**(1,531)**	390	**-**	-
Contributions of equity attributed to parent entity, net of transaction costs	17	**-**	2,848	**-**	2,848	**-**	-
Contributions of equity attributed to other stapled security holders net of transaction costs (minority interest)	17	**-**	158	**-**	-	**-**	158
Distributions provided for security holders of the parent entity	21	**-**	(847)	**-**	(847)	**-**	-
Dividends provided for other stapled entity security holders (minority interest)	21	**-**	(594)	**-**	-	**-**	(594)
Total equity at the end of financial period		**25,722**	31,263	**23,310**	28,045	**2,412**	3,218

The above statements of changes in equity should be read in conjunction with the accompanying notes

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Cheviot Kirribilly Vineyard Property Group
Statements of Cash Flows
For the period ended 30 June 2009

	Note	Consolidated		Parent entity		Company	
		2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Cash flows from operating activities							
Receipts from customers (inclusive of goods and services tax)		**8,535**	6,136	**2,720**	3,045	**8,219**	6,360
Payments to suppliers and employees (inclusive of goods and services tax)		**(7,331)**	(6,174)	**(1,022)**	(1,099)	**(8,713)**	(8,344)
Interest received		**29**	40	**1**	13	**28**	27
Other income		**18**	17	**-**	-	**18**	17
Interest paid		**(1,327)**	(1,393)	**(1,257)**	(1,360)	**(70)**	(33)
Income tax		**307**	(373)	**-**	-	**307**	(373)
Net cash inflow/(outflow) from operating activities	29	**231**	(1,747)	**442**	599	**(211)**	(2,346)
Cash flows from investing activities							
Payments for property, plant and equipment	12	**(2,096)**	(2,740)	**(2,096)**	(2,722)	**-**	(18)
Net cash outflow from investing activities		**(2,096)**	(2,740)	**(2,096)**	(2,722)	**-**	(18)
Cash flows from financing activities							
Proceeds from capital raising	17	**-**	3,182	**-**	3,023	**-**	159
Proceeds from borrowings		**1,161**	1,052	**1,161**	1,052	**-**	-
Repayment of borrowings		**-**	-	**1,039**	(1,680)	**(1,039)**	1,680
Distribution paid		**(795)**	(1,389)	**(487)**	(467)	**(308)**	(922)
Net cash inflow/(outflow) from financing activities		**366**	2,845	**1,713**	1,928	**(1,347)**	917
Net increase/(decrease) in cash held		**(1,499)**	(1,642)	**59**	(195)	**(1,558)**	(1,447)
Cash at the beginning of the financial period		**243**	1,885	**29**	224	**214**	1,661
Cash at the end of the financial period	9	**(1,256)**	243	**88**	29	**(1,344)**	214

The above statements of cash flows should be read in conjunction with the accompanying notes.

Notes accompanying the financial statements

Note 1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report includes separate financial statements for:

- Cheviot Kirribilly Vineyard Property Trust ("parent entity') as an individual entity,
- The consolidated entity consisting of Cheviot Kirribilly Vineyard Property Trust and its subsidiary, Cheviot Kirribilly Vineyard Property Limited (the "Group"), and
- Cheviot Kirribilly Vineyard Property Limited (the "Company").

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, and the *Corporations Act 2001*.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the consolidated financial statements and notes of CKP comply with the International Financial Reporting Standards (IFRS). The parent entity financial statements and notes also comply with IFRSs, as do the financial statements of the Company.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying CKP's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Principles of consolidation

(i) Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries Cheviot Kirribilly Vineyard Property Trust ("parent entity") as at 30 June 2009 and the results of all subsidiaries for the period then ended. Tidewater Funds Management Limited (formerly Cheviot Kirribilly Ltd) and its subsidiaries are referred to in this financial report as CKP or the consolidated entity.

Subsidiaries are those entities (including special purpose entities) over which CKP has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether CKP controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to CKP. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by CKP.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by CKP.

Investments in subsidiaries are accounted for at cost in the individual financial statements of Cheviot Kirribilly Vineyard Property Trust.

(ii) *Minority interest*

The units in the Cheviot Kirribilly Trust (the trust) are 'stapled' to the shares in Cheviot Kirribilly Vineyard Property Limited (the company). These entities form Cheviot Kirribilly Vineyard Property Group (the Group).
A stapled security comprises one Company share and one Trust unit. The shares and units cannot be traded or dealt with separately. The minority interest in the group arises as a result of the equity stapling arrangement between the trust and the company when accounted for under AASB3 Business Combinations. At the date of stapling the trust was deemed to be the parent entity. There is no equity investment between the parent entity and the company.

(c) Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different from those of segments operating in other economic environments.

(d) Functional and presentation currency

Items included in the financial statements of each of CKP's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is CKP's functional and presentation currency.

(e) Revenue recognition

Revenue is recognised for the major business initiatives as follows:

1. Rent
   Rent is brought to account on an accrual basis, and if not received at balance date are reflected in the Parent Entity Statement of Financial Position as a receivable.

2. Revenue from the sale of grapes
   Revenue from the sale of grapes is brought to account on an accrual basis when the harvest is finalised and the share of income attributed to the Company is determined. As a number of the contracts for the sale of fruit are market based, revenue is estimated based on the prior year market price unless a more reliable basis of estimate is established until such time that the current year prices are available.

3. Revenue from the sale of wine
   Revenue from the sale of wine is recognised when the group has contracted the sale to the customer and the revenue can be reliably measured and it is probable that future economic benefits will flow to the group.

(f) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Cheviot Kirribilly Vineyard Property Trust and its Australian controlled entities have not implemented the tax consolidation legislation. Cheviot Kirribilly Vineyard Property Trust is not a taxable entity provided that it distributes its taxable income to the Unit Holders. The Unit Holders income will then be assessed for income tax on the distributed income.

(g) Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the interest expense.

The lease asset is amortised on a straight line basis over the term of the lease, or where it is likely that the company will obtain ownership of the asset, the life of the asset. Lease assets held at the reporting date are being amortised over four years.

Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between interest (calculated by applying the interest rate implicit in the lease to the outstanding amount of the liability), rental expense and reduction of the liability.

Other operating lease payments are charged to the statement of financial performance in the periods in which they are incurred, as this represents the pattern of benefits derived from the leased assets.

(h) Business combinations

The purchase method of accounting is used for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. Cost is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition. Where equity instruments are issued in an acquisition, the value of the instruments is their fair value as at the acquisition date based on the best available evidence of the price at which the instruments could be exchanged between knowledgeable, willing parties in an arm's length transaction. Transaction costs arising on the issue of equity instruments are recognised directly in equity.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of CKP's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than CKP's share of the fair value of the identifiable net assets of the subsidiary acquired, the difference is recognised directly in the income statement, but only after a reassessment of the identification and measurement of the net assets acquired.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of cash inflows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

(k) Trade receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 60 – 90 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful debts is raised when some doubt as to collection exists.

(l) Inventories

All inventories are stated at the lower of cost and net realisable value using a standard costing system. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of stock on the basis of weighted average costs.

(m) Investments and other financial assets

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. CKP designates certain derivatives as either; (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); or (2) hedges of highly probable forecast transactions (cash flow hedges).

CKP documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. CKP also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items.

(i) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

(ii) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity in the hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However, when the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory) or a non-financial liability, the gains and losses previously deferred in equity are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

(iii) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(n) Fair value estimation

The fair value of financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by CKP is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. CKP uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward exchange contracts is determined using forward exchange market rates at the balance sheet date.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to CKP for similar financial instruments.

(o) Property, plant and equipment

Depreciation is calculated on a straight line and reducing balance basis to write off the net cost or revalued amount of each item of property, plant and equipment (excluding land) over its expected useful life to the company. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items. The expected useful lives are as follows:

Plant and equipment	3-25 years

Where items of plant and equipment have separately identifiable components which are subject to regular replacement, those components are assigned useful lives distinct from the item of plant and equipment to which they relate.

(p) Biological assets

(i) Grape vines and grapes

Grape vines and grapes are measured at their fair value less estimated point-of-sale costs.

The fair value of grape vines is determined as the difference between the net present value of cash flows expected to be generated by the vineyard discounted at a current market-determined rate which reflects the risks associated with the vineyard and the fair value of the land on which the vines are grown.

Grapes are initially measured at their fair value less estimated point-of-sale costs at the time of picking. The fair value of grapes is determined based on market prices in the local area.

(ii) Water Rights

Each of the vineyards has either natural (Adelaide Hills) or licensed water rights (Clare and Langhorne Creek). The water rights have not been separately valued as they are intrinsic to the value of the biological assets. The continued availability of water under these rights will be impacted by both climatic events and regulatory control. Any sustained impact on vineyard cropping levels from reduced water allocations will be reflected in an adjustment to the fair value of the biological asset.

(q) Intangible assets

Customer contracts

The value of customer contracts acquired in excess of current market value is determined using a discounted cash flow methodology and brought to account as an identifiable intangible asset at time of acquisition. The value of this asset has a finite life being the remaining contract life and accordingly the carrying value of the intangible is amortised over the remaining life in accordance with the contract profile.

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

(r) Trade and other payables

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

(s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as pre-payments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Borrowings are classified as current and non-current liabilities as per the settlement obligations of the bills drawn.

(t) Borrowing costs

Borrowing costs are recognised as expenses in the period in which they are incurred except where they are included in the cost of qualifying assets.

Borrowing costs include:

- interest on bank overdrafts and short-term and long-term borrowings
- amortisation of discounts or premiums relating to borrowings, and
- amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

(u) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are not included in the cost of acquisition as part of purchase consideration.

If the entity reacquired its own equity instruments, e.g. as a result of a share buyback, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(v) Dividends and Distributions

Provision is made for the amount of any distribution or dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(w) Earnings per unit, share or security

(i) Basic earnings per unit, share or security

Basic earnings per unit, share or security is determined by dividing net profit after income tax attributable to members of the relevant entity, excluding any costs of servicing equity other than ordinary equity, by the weighted average number of ordinary units, shares or securities outstanding during the financial period, adjusted for bonus elements during the year.

(ii) Diluted earnings per unit, share or security

Diluted earnings per unit, share or security adjusts the figures used in the determination of basic earnings to take into account the after income tax effect if interest and other financing costs associated with dilutive potential units, ordinary shares or securities and the weighted average number of units, shares or securities assumed to have been issued for no consideration in relation to dilutive potential units, ordinary shares or securities.

(x) 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.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(y) Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

(z) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. CKP's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* (effective from 1 January 2009)

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a "management approach" to reporting on financial performance. The information being reported will be based on what the key decision makers use for evaluating segment performance and deciding how to allocate resources to operating segments. The Group will adopt AASB 8 from 1 July 2009. It is likely to result in an increase in the number of reportable segments presented. In addition, the segments will be reported in a manner that is more consistent with the internal reporting provided to the chief operating decision-maker.

(ii) Revised AASB 123 *Borrowing Costs* and AASB 2007-6 *Amendments to Australian Accounting Standards arising from AASB 123* (effective from 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and – when adopted – will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of CKP, as CKP already capitalises borrowing costs relating to qualifying assets.

(iii) Revised AASB 101 *Presentation of Financial Statements* and AASB 2007-8 *Amendments to Australian Accounting Standards from AASB 101* (effective from 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Group will apply the revised standard from 1 July 2009.

(iv) Revised AASB *3 Business Combinations*, AASB 127 *Consolidated and Separate Financial Statements* and AASB 2008-3 *Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127* (effective 1 July 2009)
The revised AASB 3 continues to apply the acquisition method to business combinations, but with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently remeasured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs must be expensed. This is different to the Group's current policy which is set out in note 1(h) above.

The revised AASB 127 requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses, see note 1(b)(i). The standard also specifies the accounting when control is lost. Any remaining interest in the entity is remeasured to fair value, and a gain or loss is recognised in profit or loss. This is consistent with the Group's current accounting policy if significant influence is not retained.

The Group will apply the revised standards prospectively to all business combinations and transactions with non-controlling interests from 1 July 2009.

(v) AASB 2008-6 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (effective 1 July 2009)
The amendments to AASB 5 *Discontinued Operations* and AASB 1 *First-Time Adoption of Australian-Equivalents to International Reporting Standards* are part of the IASB's annual improvements project published in May 2008. They clarify that all of a subsidiary's assets and liabilities are classified as held for sale if a partial disposal sale plan results in loss of control. Relevant disclosures should be made for this subsidiary if the definition of a discontinued operation is met. The Group will apply the amendments prospectively to all partial disposals of subsidiaries from 1 July 2009.

Note 2 Financial risk management

CKP's activities expose it to a variety of financial risks; market risks (including interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. CKP's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of CKP. CKP uses derivative financial instruments such as interest rate swaps to hedge certain risk exposures. Derivatives are purely used for hedging purposes, i.e. not as trading or other speculative instruments. CKP uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing for credit risks.

Risk management is carried out by the service providers to CKP under policies approved by the Board of Directors.

CKP and the parent entity hold the following financial instruments:

	Consolidated		**Parent entity**		**Company**	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Financial assets						
Cash and cash equivalents	**88**	243	**88**	29	**-**	214
Trade and other receivables	**4,607**	5,294	**456**	1,609	**4,166**	5,086
Derivative financial instruments	**-**	213	**-**	213	**-**	-
	4,695	5,750	**544**	1,851	**4,166**	5,300
Financial Liabilities						
Trade and other payables	**1,062**	715	**26**	59	**1,398**	2,057
Borrowings	**20,657**	18,147	**19,313**	18,147	**1,344**	-
Derivative financial instruments	**855**	-	**855**	-	**-**	
	22,574	18,862	**20,194**	18,206	**2,742**	2,057

(a) Market risk

Cash flow and fair value interest rate risk

As CKP has no significant interest bearing assets, CKP's income and operating cash flows are not materially exposed to changes in market interest rates.

CKP's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose CKP to cash flow interest-rate risk. Borrowings issued at fixed rates expose CKP to fair value interest-rate risk. Group policy is to fix the rates up to 100% of its borrowings. At 30 June 2009, 93% (2008: 94%) of borrowings were fixed.

CKP manages its cash flow interest-rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, CKP raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if CKP borrowed at fixed rates directly. Under the interest-rate swaps, CKP agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

As at the reporting date, CKP's variable rate borrowings and interest rate swap contracts outstanding are set out in Note 25.

Group sensitivity

At 30 June 2009, CKP has hedged its interest rate using interest rate swaps and hence the post-tax profit is not sensitive to the movement in interest rates. Equity would have been $855,016 higher (2008: $591,468 lower) mainly as a result of an increase/decrease in the fair value of the cash flow hedges on borrowings.

Parent entity sensitivity

The parent entity's main interest rate risk arises from long-term borrowings. At 30 June 2009, CKP has hedged its interest rate using interest rate swaps and hence the post-tax profit is not sensitive to the movement in interest rates. Equity would have been $855,016 higher (2008: $591,468 lower) mainly as a result of an increase/decrease in the fair value of the cash flow hedges on borrowings.

Company entity sensitivity

The company entity does not have any debt and hence is not exposed to any risk from movements in interest rates.

(b) Credit risk

Credit risk arises from credit exposures to wholesale and retail customers, including outstanding customers and committed transactions. CKP has policies in place to ensure that the sales of products are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institutions.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to historical information about counterparty default rates.

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Trade receivables						
Counterparties without external credit						
Existing customers (more than 6 months) with no defaults in the past	**3,271**	3,589	**-**	-	**3,271**	3,589
Total trade receivables	**3,271**	3,589	**-**	-	**3,271**	3,589
Cash at Bank and short term bank deposits						
AAA	**88**	243	**88**	29	**-**	214
Loans & receivables						
Bills Drawn	**18,585**	18,147	**18,585**	18,147	**-**	-
Derivative financial assets						
Interest rate swaps	**17,100**	17,100	**17,100**	17,100	**-**	-

(c) Liquidity risk

To maintain the current financing arrangements, the Group is required to maintain mandated levels of profitability versus budget and interest costs, together with asset values relative to loans outstanding as part of its borrowing arrangements with the financier.

As at 30 June 2009, the Group had failed the requisite ratios in respect of profit versus budget and interest costs for the year to 30 June 2009. The Group remains below the stipulated maximum loan to value ratios.

Upon discussion, the financier has declined to grant a "waiver of non-compliance" letter but has noted that it is not its current intention to enforce its right of repayment. As a consequence, all borrowings are required to be reclassified as current liabilities.

The Group has begun discussions with related third party providers of services with a view to restructuring the current arrangements. A successful outcome to these negotiations together with an improvement to yields at the major vineyards within the Group would move the Group far closer to compliance with the profit based financial covenants in the future. Under these circumstances, the Directors believe it is unlikely that the financier would seek to enforce their right of repayment under the current arrangements.

Whilst classified as current liabilities as a consequence of covenant non-compliance, the current facilities expire in August 2011.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of credit facilities. CKP manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Due to the dynamic nature of the underlying business, CKP aims at maintaining flexibility in funding by keeping adequate cash resources or committed credit lines available.

Financing arrangements

CKP and the parent entity had access to the following borrowing facilities at the reporting date:

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Floating Rate						
Expiring within one year (bank overdraft facility)	**2,500**	2,500	**2,500**	2,500	**-**	-
Expiring beyond one year (bank loans)	**-**	-	**-**	-	**-**	-
	2,500	2,500	**2,500**	2,500	**-**	-

Maturities of financial liabilities

The tables below analyse CKP and Parent entity's financial liabilities, net and gross settled derivative financial instruments into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows. For interest rate swaps the cash flows have been estimated using forward interest rates applicable at the reporting date.

Group – at 30 June 2009	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives							
Non-interest bearing	1,062	-	-	-	-	1,062	1,062
Variable rate	-	-	18,585	-	-	18,585	18,585
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	1,062	-	18,585	-	-	19,647	19,647
Derivatives							
Net settled (interest rate swaps)	(197)	(198)	(460)	-	-	(855)	(855)
Total derivatives	(197)	(198)	(460)	-	-	(855)	(855)

Group – at 30 June 2008	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives							
Non-interest bearing	715	-	-	-	-	715	715
Variable rate	-	-	-	18,147	-	18,147	18,147
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	715	-	-	18,147	-	18,862	18,862
Derivatives							
Net settled (interest rate swaps)	107	107	214	248	-	676	676
Total derivatives	107	107	214	248	-	676	676

Parent entity – at 30 June 2009	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives							
Non-interest bearing	26	-	-	-	-	26	26
Variable rate	-	-	18,585	-	-	18,585	18,585
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	26	-	18,585	-	-	18,611	18,611
Derivatives							
Net settled (interest rate swaps)	(197)	(198)	(460)	-	-	(855)	(855)
Total derivatives	(197)	(198)	(460)	-	-	(855)	(855)

Parent entity – at 30 June 2008	Less than 6 months $'000	6-12 months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount (assets)/ liabilities $'000
Non-derivatives							
Non-interest bearing	59	-	-	-	-	59	59
Variable rate	-	-	-	18,147	-	18,147	18,147
Fixed rate	-	-	-	-	-	-	-
Total non-derivatives	59	-	-	18,147	-	18,206	18,206
Derivatives							
Net settled (interest rate swaps)	107	107	214	249	-	676	676
Total derivatives	107	107	214	249	-	676	676

Company entity

The only financial liabilities existing at balance date are due and payable within 6 months.

(d) Fair value estimation
The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to CKP for similar financial instruments.

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.

Note 3 Critical judgements in applying the entity's accounting policies

Revenue recognition
CKP has recognised revenue for the sale of grapes. A number of the contracts are market based contracts where base pricing is determined by the District Weighted Average (DWA) price by variety for each region from which the fruit has been sold. The DWA pricing is published each September following the completion of vintage. At the same time any quality bonuses and other adjustments are determined to enable the final instalment to be paid by the customer.

In the absence of final DWA prices and adjustments, revenues have generally been determined based upon the prior year DWA pricing. This is consistent with industry convention and any adjustment (either positive or negative) will be recorded in the subsequent financial year. The DWA prices for the majority of contracts was available prior to the completion of the financial statements and have been incorporated in the accounts for this financial period

Biological Assets
In reviewing the fair value of biological assets at 30 June 2009, consideration has been given to the range of variables that impact such valuations. These include:

- Climatic impacts – with the continued uncertainty of the drought consideration has been given to the potential lower yields of the vineyards due to water availability, as well as the potential increase in grape prices as the supply availability reduces.
- Wine market balance – it is recognised that wine supply has exceeded demand over the last few vintages and accordingly grape prices subject to market prices have been depressed.
- Nature of contracts – there is a reduced tendency for producers to enter into long term, fixed price contracts, such that most contracts are now market based and hence increase the price volatility in a true market.

Recognising these variables, the accounting estimate of fair value has considered the normal yields that the vineyards have achieved and the current pricing structures. It has been assessed that no material change in fair value of biological assets has occurred.

Note 4 Segment information

a) Industry segment

The consolidated entity operates predominantly in one industry segment, that being the owner and operator of vineyards.

b) Geographical segment

The consolidated entity operates predominantly in one geographical segment, that being Australia.

Note 5 Revenue

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Revenue from continuing operations						
Sales revenue						
Sale of grapes	**5,539**	4,876	**-**	-	**5,539**	4,876
Sale of wine *	**1,551**	2,907	**-**	-	**1,551**	2,907
	7,090	7,783	**-**	-	**7,090**	7,783
Other revenue						
Rent	**18**	17	**2,404**	3,268	**18**	17
Interest	**29**	39	**1**	12	**28**	27
Other revenue	**-**	-	**-**	-	**-**	-
	7,137	7,839	**2,405**	3,280	**7,136**	7,827

* CKP has in place forward contracts to supply wine

Note 6 Other income

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Revenue from outside the operating activities						
Insurance recoveries	**-**	199	**-**	**-**	**-**	199

Note 7 Profit/(loss) from ordinary activities

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
(a) Net expenses						
Profit/(loss) from ordinary activities before income tax includes the following specific expenses:						
Expenses						
Cost of sales of goods and services	**5,429**	5,068	**-**	-	**5,429**	5,068
Management fees paid to Asset Management company	**609**	509	**594**	464	**15**	45
Finance costs	**1,333**	1,511	**1,263**	1,464	**70**	47
Operating lease costs for property	**-**	-	**-**	-	**2,404**	3,268
Depreciation expense	**358**	293	**356**	291	**2**	2

Note 8 Income tax

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
(a) Income tax expense						
Current tax	**(347)**	(380)	**-**	**-**	**(347)**	(380)
Deferred tax	**(3)**	(9)	**-**	**-**	**(3)**	(9)
	(350)	(389)	**-**	**-**	**(350)**	(389)
Income tax expense is attributed to profit from continuing operations	**(350)**	(389)	**-**	**-**	**(350)**	(389)
Deferred income tax expense included in income tax expense comprises:						
Decrease/(increase) in deferred tax asset	**(3)**	(9)	**-**	**-**	**(3)**	(9)
(b) Numerical reconciliation of income tax expense to prima facie tax payable						
Profit from continuing operations before income tax expense	**(4,360)**	159	**(3,204)**	642	**(1,156)**	(483)
Tax at the Australian Tax Rate of 30%	**(1,308)**	48	**(961)**	193	**(347)**	(145)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income						
Trust income to distribute	**-**	(193)	**-**	(193)	**-**	-
Deduction allowable for cost of equity raising and establishment of structure	**-**	(4)	**-**	-	**-**	(4)
Other	**958**	(240)	**961**	-	**(3)**	(240)
Income tax expense/(benefit)	**350**	(389)	**-**	-	**(350)**	(389)

Note 9 Cash and cash equivalents

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Cash at bank and in hand	**88**	243	**88**	29	**-**	214

(a) Reconciliation to cash at the end of the year
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

Balance above	**88**	243	**88**	29	**-**	214
Bank overdrafts (note 16)	**(1,344)**	-	**-**	-	**(1,344)**	-
Balance per statement of cash flows	**(1,256)**	243	**88**	29	**(1,344)**	214

Note 10 Trade and other receivables

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Trade receivables	**3,271**	3,803	**-**	-	**3,271**	3,803
Receivable from stapled company	**-**	-	**362**	1,401	**-**	-
GST receivable	**372**	357	**-**	-	**372**	357
Prepayments	**237**	754	**94**	208	**143**	546
Income tax receivable	**727**	380	**-**	-	**727**	380
	4,607	5,294	**456**	1,609	**4,513**	5,086

(a) Impaired trade receivables
There were no impaired trade receivables in 2009 and 2008.

(b) Past due but not impaired
As at 30 June 2009, there were no trade receivable balances which were past due. All trade receivable balances were within their contractual terms.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

(c) Interest rate risk
Information about CKP's exposure to interest rate risk in relation to trade and other receivables is provided in note 2.

(e) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is determined to approximate their fair value.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of CKP and the credit quality of the entity's trade receivables.

Note 11 Inventories

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Finished goods						
- at net realisable value	**564**	207	**-**	-	**564**	207

Note 12 Property, plant and equipment

	Consolidated	Parent entity	Company
	2008 $'000	**2008 $'000**	**2008 $'000**
Freehold land and improvements			
At cost	28,511	28,449	62
Less: Accumulated depreciation	(293)	(291)	(2)
Total Property, plant and equipment	28,218	28,158	60

	Freehold Land and Improvements $'000	Total $'000
Parent Entity		
Carrying amount at 1 July 2007	27,061	27,061
Additions	237	237
Additions from business combination (note 13)	1,151	1,151
Depreciation/amortisation expense (note 7)	(291)	(291)
Carrying amount at 30 June 2008	28,158	28,158
Company		
Carrying amount at 1 July 2007	44	44
Additions	18	18
Depreciation/ amortisation expense (note 7)	(2)	(2)
Carrying amount at 30 June 2008	60	60
Consolidated Entity		
Carrying amount at 1 July 2007	27,105	27,105
Additions	255	255
Additions from business combination (note 13)	1,151	1,151
Depreciation/ amortisation expense (note 7)	(293)	(293)
Carrying amount at 30 June 2008	28,218	28,218

	Consolidated	Parent entity	Company
	2009 $'000	**2009 $'000**	**2009 $'000**
Freehold land and improvements			
At cost	30,314	30,254	60
Less: Accumulated depreciation	(358)	(356)	(2)
Total Property, plant and equipment	29,956	29,898	58

Note 12 Property, plant and equipment (continued)

	Freehold Land and Improvements $'000	Total $'000
Parent Entity		
Carrying amount at 1 July 2008	28,158	28,158
Additions	2,096	2,096
Additions from business combination (note 13)	-	-
Depreciation/ amortisation expense (note 7)	(356)	(356)
Carrying amount at 30 June 2009	29,898	29,898
Company		
Carrying amount at 1 July 2008	60	60
Additions	-	-
Depreciation/ amortisation expense (note7)	(2)	(2)
Carrying amount at 30 June 2009	58	58
Consolidated Entity		
Carrying amount at 1 July 2008	28,218	28,218
Additions	2,096	2,096
Additions from business combination (note 13)	-	-
Depreciation/ amortisation expense (note 7)	(358)	(358)
Carrying amount at 30 June 2009	29,956	29,956

Note 13 Biological assets

The entity as part of its operations grows and harvests grapes. Harvesting of vines occurs from February through May each year. The vineyards are located in Clare, Adelaide Hills and Langhorne Creek in South Australia.

At 30 June 2009 the entity held 923 (2008: 923) hectares of vineyards which produced 5,971 (2008: 6,050) tonnes of grapes.

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Carrying amount at 1 July	**16,266**	14,933	**16,266**	14,933	**-**	-
Additions	**-**	1,333	**-**	1,333	**-**	-
Impairment	**(3,204)**	-	**(3,204)**	-	**-**	-
Depreciation/amortisation expense (note 7)	**-**	-	**-**	-	**-**	-
Carrying amount at 30 June	**13,062**	16,266	**13,062**	16,266	**-**	-

Note 13 Biological assets (continued)

(a) Revaluation of Biological Assets

The fair value less estimated point of sale costs of the vineyards, the vines and the land have been determined in accordance with Directors' valuations supported by an independent valuer (Knight Frank) and internal discounted cash flow models performed in June 2009. An impairment loss of $3,203,633 (2008: $nil) has been recognised and Directors believe that the valuations reflect the current fair values of the assets at year end.

(b) Assets pledged as security

Registered first mortgages have been granted as security for bank loans (note 16) over all of the company assets. The terms of the registered first mortgages preclude the assets being sold or being used as security for further mortgages without the permission of the first mortgage holder.

(c) Prior year acquisition of Woodstock Road Vineyard, Langhorne Creek SA

Effective 31 January 2008, CKP acquired the Woodstock Road Vineyard, Langhorne Creek SA.

The acquired vineyard contributed revenues of $359,008 and net profit of $107,568 to CKP for the period 1 February 2008 to 30 June 2008. If the acquisition had occurred on 1 July 2007, consolidated revenue and consolidated profit for the year ended 30 June 2008 would have been $7,839,000 and $418,000 respectively.

Details of the fair value of assets and liabilities acquired and goodwill are as follows:

	$'000
Purchase consideration	
Cash paid	2,300
Direct costs relating to the acquisition	184
Total purchase consideration	2,484
Fair value of net identifiable assets acquired (refer to (d) below)	2,484
Goodwill (refer to (d) below)	-

(d) Assets and liabilities acquired

	Fair Value $'000
Land	483
Land improvements	668
Biological assets - vines	1,333
Total	**2,484**
Goodwill on acquisition	-
Total	**2,484**

The carrying value of the acquiree's assets has not been provided as this information was not available to the group. No reliable estimate can be made as no publically available information can be obtained from the previous owner of the vineyard. The directors believe the values disclosed above represent the current fair value of the vineyard assets acquired.

Note 14 Trade and other payables

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Trade and other payables	**1,062**	715	**26**	59	**1,036**	656
Payable to stapled company	**-**	-	**-**	-	**362**	1,401
Total Trade and other payables	**1,062**	715	**26**	59	**1,398**	2,057

Note 15 Provisions

	Note	Consolidated		Parent entity		Company	
		2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Provision for distribution and dividend	21	**-**	795	**-**	487	**-**	308

Note 16 Borrowings

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Current - Secured						
Bank overdrafts	**1,344**	-	**-**	-	**1,344**	**-**
Bank loans	**18,585**	-	**18,585**	-	**-**	**-**
Interest bearing liabilities	**19,929**	-	**18,585**	-	**1,344**	**-**
Non-current - Secured						
Bank loans	**728**	18,152	**728**	18,152	**-**	**-**
Prepaid borrowing costs	**-**	(5)	**-**	(5)	**-**	**-**
Interest bearing liabilities	**728**	18,147	**728**	18,147	**-**	**-**

The Group is required to maintain mandated levels of profitability versus budget and interest costs, together with asset values relative to loans outstanding as part of its borrowing arrangements with the financier.

As at 30 June 2009, the Group had failed the requisite ratios in respect of profit versus budget and interest costs for the year to 30 June 2009. The Group remains below the stipulated maximum loan to value ratios.

Upon discussion, the financier has declined to grant a "waiver of non-compliance" letter but has noted that it is not its current intention to enforce its right of repayment. As a consequence, all borrowings are required to be reclassified as current liabilities.

The Group has begun discussions with related third party providers of services with a view to restructuring the current arrangements. A successful outcome to these negotiations together with an improvement to yields at the major vineyards within the Group would move the Group far closer to compliance with the profit based financial covenants in the future. Under these circumstances, the Directors believe it is unlikely that the financier would seek to enforce their right of repayment under the current arrangements.

Whilst classified as current liabilities as a consequence of covenant non-compliance, the current facilities expire in August 2011.

Note 16 Borrowings (continued)

Assets pledged as security
The bank loans of the parent entity and CKP are secured by:

(a) Registered mortgage debentures over the whole of the company assets including goodwill and uncalled capital and called but unpaid capital together with relevant insurance policy assigned to the National Australia Bank Limited given by Tidewater Funds Management Limited as responsible entity for Cheviot Kirribilly Vineyard Property Trust and Cheviot Kirribilly Vineyard Property Limited.

(b) Cross guarantees provided by Tidewater Funds Management Limited as responsible entity for Cheviot Kirribilly Vineyard Property Trust in support of Cheviot Kirribilly Vineyard Property Limited and by Cheviot Kirribilly Vineyard Property Limited in support of Tidewater Funds Management Limited as responsible entity for Cheviot Kirribilly Vineyard Property Trust.

(c) Registered Mortgage given by Trust Company of Australia Limited as custodian for Tidewater Funds Management Limited as responsible entity for Cheviot Kirribilly Vineyard Property Trust over all freehold property held.

(d) Water mortgages or letters of undertaking over all interests in water rights associated with the vineyard projects.

Note 17 Contributed equity

	Parent entity		Parent entity		Company		Company	
	2009 Units	2008 Units	**2009 $'000**	2008 $'000	**2009 Shares**	2008 Shares	**2009 $'000**	2008 $'000
(a) Stapled units								
Opening balance at 1 July	**13,257,980**	10,606,384	**27,369**	24,521				
Issues of ordinary units/shares during the year								
Rights issue – 18 January 2008 (i)	**-**	2,651,596	**-**	3,023				
Less transaction costs arising on share issues	**-**	-	**-**	-				
Balance at 30 June	**13,257,980**	13,257,980	**27,369**	27,369				
(b) Stapled shares								
Opening balance at 1 July					**13,257,980**	10,606,384	**206**	48
Issues of ordinary units/shares during the year								
Rights issue – 18 January 2008 (i)					**-**	2,651,596	**-**	158
Less transaction costs arising on share issues					**-**	-	**-**	-
Balance at 30 June					**13,257,980**	13,257,980	**206**	206

The purpose of the rights issue was for the acquisition of the Woodstock Road vineyard in Langhorne Creek, South Australia for $2.5 million (including costs) together with working capital for future growth and capital management activities.

Ordinary units/shares entitle the holder to participate in distributions and proceeds on winding up of the trust/company in proportion to the number of and amounts paid on the units/shares held. On a show of hands every holder of ordinary units/shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each unit/share is entitled to one vote.

(i) Rights issue
On 6 December 2007 the company invited its shareholders to subscribe to a rights issue of 2,651,596 fully paid stapled securities at an issue price of $1.20 per stapled security on the basis of 1 new stapled security for every 4 stapled securities. The issue was fully underwritten.

(ii) Capital risk management
CKP's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, CKP may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistently with others in the industry, CKP monitor capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital, net debt is calculated as total borrowings (including "borrowings" and "trade and other receivables" as shown in the balance sheet) less cash and cash equivalents. Total capital is calculated as "equity" as shown in the balance sheet (including minority interest) plus net debt.

Note 17 Contributed equity (continued)

During 2009, CKP's strategy, which was unchanged from 2008, was to maintain a gearing ratio within 35% to 45% and a BB credit rating. The gearing ratios at 30 June 2009 and 30 June 2008 were as follows:

		Consolidated		Parent entity	
	Note	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Total borrowings	14,16	**21,719**	18,862	**19,339**	18,206
Less: cash and cash equivalents	9	**(88)**	(243)	**(88)**	(29)
Net debt		**21,631**	18,619	**19,251**	18,177
Total equity		**25,722**	31,263	**23,310**	28,045
Total capital		**47,353**	49,882	**42,561**	46,222
Gearing ratio		**46%**	37%	**45%**	39%

The increase in Consolidated Group and Parent Entity gearing ratios during 2009 resulted primarily from increased borrowings during the year for funding of major capital expenditure projects (e.g. Frost Fans at Kirribilly Estate Vineyard 1 and construction of a Desalination Plant at Birchmores Vineyard).

Note 18 Hedging reserve

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Cash flow hedges:						
Balance 1 July	**676**	286	**676**	286	**-**	-
Revaluation of interest rate swap	**(1,531)**	390	**(1,531)**	390	**-**	-
Balance 30 June	**(855)**	676	**(855)**	676	**-**	-

Note 19 Retained profits/(losses)

	Note	Consolidated		Parent entity		Company	
		2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Retained profits/(losses)							
Retained profits/(losses) at the beginning of the financial period		**-**	-	**-**	-	**3,012**	3,905
Net profit/(loss) for the period		**(4,010)**	548	**(3,204)**	847	**(806)**	(299)
Distributions payable from Parent Entity	21	**-**	(847)	**-**	(847)	**-**	-
Attributable to equity holders of other stapled entities		**806**	299	**-**	-	**-**	-
Dividends payable from Controlled Stapled Entity		**-**	-	**-**	-	**-**	(594)
Retained profits/(losses) at the end of the financial period		**(3,204)**	-	**(3,204)**	-	**2,206**	3,012

Note 20 Minority interest

	Note	Consolidated		Parent entity		Company	
		2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Interest in:							
Share capital		**206**	206	**-**	-	**-**	-
Profit attributed to equity holders of other stapled entities		**2,206**	3,606	**-**	-	**-**	-
Less dividends payable to equity holders of other stapled entities	21	**-**	(594)	**-**	-	**-**	-
		2,412	3,218	**-**	-	**-**	-

Note 21 Distributions and dividends

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
(a) Ordinary Units						
No interim distribution was paid for the year ended 30 June 2009.						
Interim distribution for the year ended 30 June 2008 of $0.034 per fully paid unit in the Parent Entity paid on 18 April 2008 to unit holders.	**-**	361	**-**	361	**-**	-
No interim dividend was paid for the year ended 30 June 2009.						
Interim dividend for the year ended 30 June 2008 of $0.027 per fully paid stapled ordinary share paid on 18 April 2008 fully franked based on tax paid @ 30%.	**-**	286	**-**	-	**-**	286
No final distribution was declared for the year ended 30 June 2009.						
Final distribution for the year ended 30 June 2008 of $0.037 per fully paid unit in the Parent Entity was paid on 29 August 2008.	**-**	486	**-**	486	**-**	-
No final dividend was declared for the year ended 30 June 2009.						
Final dividend for the year ended 30 June 2008 of $0.023 per fully paid stapled ordinary share was paid on 29 August 2008 fully franked based on tax paid @ 30%	**-**	308	**-**	-	**-**	308
Total Distribution and dividend per stapled security	**-**	1,441	**-**	847	**-**	594
(b) Franked Dividends						
Franking credits available for subsequent financial years based on tax rate of 30%	**1,465**	1,490	**-**	-	**1,465**	1,490

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

i) franking credits that will arise from the payment of the provision for income tax; and

ii) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date.

The consolidated amounts include franking credits that would be available provided that the stapling arrangement between the units issued by the parent entity and the ordinary shares issued remains in place.

Note 22 Remuneration of auditors

		Consolidated		Parent entity		Company	
		2009 $,000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Remuneration for audit of the financial report of the company:							
PricewaterhouseCoopers	- audit services	**86**	86	**43**	43	**43**	43
	- other services	**-**	-	**-**	-	**-**	-
Other auditors - Edwards Marshall	- audit services re audit of Birchmores Scheme	**4**	-	**-**	-	**4**	-
Total		**90**	90	**43**	43	**47**	47

Note 23 Contingent liabilities

Contingent liabilities
The consolidated entity has no contingent liabilities at 30 June 2009.

Note 24 Commitments for expenditure

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Commitments in relation to vineyard leases between the Parent Entity and Company contracted for at the reporting date but not recognised as liabilities, payable:						
Within one year	**-**	-	**-**	-	**2,799**	3,361
Later than one year but not later than 5 years	**-**	-	**-**	-	**13,995**	16,806
Later than 5 years	**-**	-	**-**	-	**44,575**	57,179
Non-cancellable operating lease	**-**	-	**-**	-	**61,369**	77,346
Commitments in relation to viticulture management and asset management services contracted for at the reporting date but not recognised as liabilities, payable:						
Within one year	**1,550**	1,593	**547**	576	**1,003**	1,017
Later than one year but not later than 5 years	**7,347**	7,550	**2,734**	2,882	**4,613**	4,668
Later than 5 years	**1,504**	3,411	**477**	1,125	**1,027**	2,286
Non-cancellable contracts	**10,401**	12,554	**3,758**	4,583	**6,643**	7,971

Note: Commitments in relation to viticulture management relate only to management services and excludes operating expense reimbursement. Commitments in relation to asset management services exclude the management fee payable by the Company of 1.00% of Gross Margin due to the inherent uncertainty regarding this proportion of the fee.

Note 25 Financial instruments

(a) Derivative financial instruments

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Current assets/(liabilities)						
Interest rate swap contracts – cash flow hedges	**(395)**	213	**(395)**	213	**-**	-
Non-current assets/(liabilities)						
Interest rate swap contracts – cash flow hedges	**(460)**	463	**(460)**	463	**-**	-

The parent entity is party to derivative financial instruments in the normal course of business in order to hedge exposure to fluctuations in interest rates.

Interest rate swap contracts
Bank loans of the parent entity currently bear an average variable interest rate of 7.5% (2008: 7.5%). It is policy to protect part of the loans from exposure to increasing interest rates. Accordingly, the parent entity has entered into interest rate swap contracts which it is obliged to receive interest at variable rates and to pay interest at fixed rates.

The settlement date of the contract coincides with the date on which interest is payable on the underlying debt.

Swaps currently in place cover 92% (2008: 94%) of the loan principal outstanding and are timed to coincide when the interest payment falls due. The fixed interest rate is 7.5% and the variable rate is: 7.85%.

It should be noted that interest rate swaps may be required to be broken in the event that the financier requires repayment of current liabilities (refer note 16).

At 30 June 2009 the notional principal amounts and period of expiry of the interest rate swap contract are as follows:

	Parent entity	
	2009 $'000	2008 $'000
Less than 1 year	**-**	-
1-2 years	**-**	-
2-3 years	**17,100**	-
3-4 years	**-**	17,100
4-5 years	**-**	-

Note 25 Financial instruments (continued)

(b) Credit risk exposures

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(c) Interest rate risk exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

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2009			**Fixed interest maturing in:**				
	Note	**Floating interest rate $000**	**1 year or less $'000**	**Over 1 to 5 years $'000**	**More than 5 years $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets							
Cash	9	88	-	-	-	-	88
		88	-	-	-	-	88
Weighted average interest rate		0.25%	-	-	-	-	0.25%
Financial liabilities							
Secured loans	16,18	19,929	-	728	-	-	20,657
Interest rate swaps	25	(17,100)	-	17,100	-	-	-
		2,829	-	17,828	-	-	20,657
Weighted average interest rate		7.5%	-	7.5%	-	-	7.5%
Net financial assets (liabilities)		(2,741)	-	(17,828)	-	-	(20,569)

2008			**Fixed interest maturing in:**				
	Note	**Floating interest rate $000**	**1 year or less $'000**	**Over 1 to 5 years $'000**	**More than 5 years $'000**	**Non-interest bearing $'000**	**Total $'000**
Financial assets							
Cash	9	243	-	-	-	-	243
		243	-	-	-	-	243
Weighted average interest rate		5.3%	-	-	-	-	5.3%
Financial liabilities							
Secured loans	16,18	18,152	-	-	-	-	18,152
Interest rate swaps	25	(17,100)	-	17,100	-	-	-
		1,052	-	17,100	-	-	18,152
Weighted average interest rate		7.5%	-	7.5%	-	-	7.5%
Net financial assets (liabilities)		(809)	-	(17,100)	-	-	(17,909)

Note 25 Financial instruments (continued)

(d) Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the entity approximates their carrying amounts.

The net fair value of other monetary financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Note 26 Key management personnel disclosures

	Consolidated		Parent entity		Company	
	2009 $	2008 $	**2009 $**	2008 $	**2009 $**	2008 $
Short term employment benefits for Directors	**45,000**	57,811	**-**	40,906	**45,000**	16,905

Disclosure with regard to key management personnel remuneration has been made as part of the directors' report on pages 7 to 17.

Security holdings
The number of securities in CKP held during the financial year by each director of Tidewater Funds Management Limited or the Company and each of the specified executives of the consolidated entity, including their personally-related entities, are set out below:

2009

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Ordinary shares				
G Scott	2,500	-	-	2,500
R Healy	-	-	-	-
R Stanway	1,413,286	-	-	1,413,286
S Edwards	1,212,024	-	-	1,212,024
A Brown	1,056,682	-	1,418	1,058,100

2008

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year	Balance at the end of the year
Ordinary shares				
G Scott	2,000	-	500	2,500
R Healy	-	-	-	-
R Stanway	1,205,151	-	208,135	1,413,286
S Edwards	932,312	-	279,712	1,212,024
A Brown	-	-	1,056,682	1,056,682
P Batchelor	16,000	-	(16,000)	-
M Hart	4,000	-	(4,000)	-
D Wood	1,000	-	(1,000)	-

Note 27 Related parties

Transactions of directors and director-related entities concerning shares or share options
Aggregate numbers of stapled securities of CKP acquired or disposed of by directors of Tidewater Funds Management Limited or the Company and consolidated entity or their director-related entities:

	Parent entity and Consolidated	
	2009 Number	2008 Number
Acquisitions		
Stapled securities	**1,418**	1,517,367
Disposals		
Stapled Securities	**-**	21,000

Aggregate numbers of stapled securities of the economic entity held directly, indirectly or beneficially by directors of the company or the consolidated entity or their director-related entities at balance date:

	2009 Number	2008 Number
Stapled Securities	**3,685,910**	3,656,830

Other transactions with directors and director-related entities

Tidewater Funds Management Limited, a wholly owned subsidiary of Tidewater Investments Limited, provided asset management services pursuant to an Asset Management Agreement with the Trust and the stapled company respectively. CKP Director, Mr Andrew Brown, is the Managing Director and a substantial shareholder of Tidewater Investments Limited. During the prior period, CKP paid underwriting fees of $175,005 to Tidewater Funds Management Limited in relation to the Rights Issue in January 2008 (refer note 17).

Kirribilly Viticulture Pty Ltd, a wholly owned subsidiary of Cheviot Bridge Ltd, provided viticulture management services to Cheviot Kirribilly Vineyard Property Limited pursuant to formal vineyard management agreements. CKP Directors, Messer's Brown, Stanway and Edwards are Directors and substantial shareholders of Cheviot Bridge Limited.

Aggregate amounts of each of the above types of other transactions with directors of entities in the consolidated entity and their director-related entities:

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Amount recognised as expense:						
Asset management services	**589**	509	**574**	464	**15**	45
Viticulture management services	**5,429**	4,813	**-**	-	**5,429**	4,813

Aggregate amounts payable to directors of entities in the consolidated entity and their director-related entities at balance date:

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Current liabilities	**548**	545	**-**	-	**548**	545

Note 28 Events occurring after reporting date

No matters or circumstances have arisen since 30 June 2009 that have significantly affected, or may significantly affect:

1. the consolidated entity's operations in future financial years; or
2. the results of those operations in future financial years; or
3. the consolidated entity's state of affairs in future financial years.

Note 29 Reconciliation of profit/(loss) from ordinary activities after income tax to net cash inflow from operating activities

	Consolidated		Parent entity		Company	
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000	**2009 $'000**	2008 $'000
Profit/(loss) from ordinary activities after related income tax	**(4,010)**	548	**(3,204)**	847	**(806)**	(299)
Depreciation	**358**	293	**356**	291	**2**	2
Impairment of assets	**3,204**	-	**3,204**	-	**-**	-
Amortisation of borrowing costs	**5**	114	**5**	114	**-**	-
Change in operating assets and liabilities:						
Decrease/(increase) in trade debtors	**889**	(1,997)	**-**	(610)	**889**	(1,387)
Decrease/(increase) in other operating assets	**(213)**	(9)	**113**	(26)	**(326)**	17
Increase/(decrease) in trade creditors	**348**	(546)	**(32)**	(17)	**380**	(529)
Increase/(decrease) in provisions	**(350)**	(150)	**-**	-	**(350)**	(150)
Net cash inflow/(outflow) from operating activities	**231**	(1,747)	**442**	599	**(211)**	(2,346)

Note 30 Investment in controlled entities

Name of entity	**Country of incorporation**	**Class of Share**	**Equity Holding**	
			2009 %	2008 **%**
Cheviot Kirribilly Vineyard Property Limited (note 1(b)(ii))	Australia	Ordinary	**nil**	nil

Note 31 Earnings per unit/share

	Consolidated		Company	
	2009 Cents	2008 Cents	**2009 Cents**	2008 Cents
Basic earnings per unit/share	**(30.24)**	4.86	**(6.08)**	(2.65)
Diluted earnings per unit/share	**(30.24)**	4.86	**(6.08)**	(2.65)
	2009 Number	2008 Number	**2009 Number**	2008 Number
Weighted average number of units/shares used as the denominator				
Weighted average number of ordinary units/shares used as the denominator in calculating basic earnings per share	**13,257,980**	11,277,166	**13,257,980**	11,277,166
Weighted average number of ordinary units/shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**13,257,980**	11,277,166	**13,257,980**	11,277,166
	2009 $'000	2008 $'000	**2009 $'000**	2008 $'000
Earnings used in calculating basic earnings per share	**(3,204)**	847	**(806)**	(299)

Note 31 Earnings per unit/share (continued)

The nature of the stapled securities is that the security holder has both an interest in the units and the shares. Whilst the requirements of the UIG pronouncements require the recognition of other stapled security interests as minority interests, the following earnings per security reflects the total earnings attributed to the combined stapled security.

	2009 Number	2008 Number
Weighted average number of stapled securities used as the denominator	**13,257,980**	12,277,166

	2009 $'000	2008 $'000
Earnings used in calculating basic earnings per share	**(4,010)**	548
Basic earnings per stapled security (cents)	**(24.16)**	7.51
Diluted earnings per stapled security (cents)	**(24.16)**	7.51

Note 32 Going concern

At year end the parent entity and the consolidated group have a deficiency in current assets due to the classification of their long-term debt as current. The deficiency is due to the classification of the group's banking facilities, due to expire in August 2011, as current. The classification as current is due to the breach of covenants at year end as disclosed in note 16.

The continuing viability of the group and its ability to continue as a going concern and its ability to meet its obligations as and when they fall due is dependent upon the continued support of its financiers. As a result of these matters, there is significant uncertainty whether the group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. In the event that the financiers do not continue to provide their support and alternative financing arrangements are unable to be obtained, then significant uncertainty exists as to whether the group would be able to continue as a going concern.

The Directors are currently in discussions with their financier and believe they will be successful in obtaining their on going support. Based on this and their forecast operating cash flow they believe there are reasonable grounds on which to prepare the financial report on a going concern basis. At this time the Directors are of the opinion that no asset is likely to be realised for an amount materially less than the amount at which it is recorded in the financial statements at 30 June 2009 based on the likely continued support of its financiers. Accordingly, no adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

Directors' declaration

In the directors' opinion:

(a) the financial statements and notes set out on pages 23 to 52 are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
(ii) giving a true and fair view of the Parent Entity's, Consolidated Entity's and Company's financial position as at 30 June 2009 and of their performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Parent Entity, Consolidated Entity and Company will be able to pay their debts as and when they become due and payable; and
(c) at the date of this declaration, there are reasonable grounds to believe that the Parent Entity, Consolidated Entity and Company will be able to meet any obligations or liabilities to which they are, or may become, subject.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the directors.

Geoff Scott
Chairman

Andrew Brown
Director

SYDNEY
27 August 2009

PRICEWATERHOUSECOOPERS

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Independent auditor's report to the members of Cheviot Kirribilly Vineyard Property Group.

Report on the financial report

We have audited the accompanying financial report of Cheviot Kirribilly Property Group (the group), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration Cheviot Kirribilly Vineyard Property Group comprising Cheviot Kirribilly Vineyard Property Trust (the parent) and Cheviot Kirribilly Vineyard Property Limited (the company).

Directors' responsibility for the financial report

The directors of the group 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(a), 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. 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 auditor's 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 opinions.

PRICEWATERHOUSECOOPERS

Independent auditor's report to the members of Cheviot Kirribilly Vineyard Property Group. (continued)

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 Cheviot Kirribilly Vineyard Property Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the parent, the company and the group's financial position as at 30 June 2009 and of their 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(a).

Significant uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to Note 16 and 32 in the financial report which indicates that the group has a deficiency in net current assets and has breached bank covenants, and is therefore dependent upon ongoing financial support from its financier. These conditions, along with other matters set forth in Note 16 and 32, indicate the existence of a significant uncertainty as to whether the group will continue as a going concern, and therefore it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 14 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the Remuneration Report of the Cheviot Kirribilly Vineyard Property Group for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.

PricewaterhouseCoopers

Paul Lewis
Partner

Melbourne
27 August 2009

CHEVIOT KIRRIBILLY VINEYARD PROPERTY TRUST
ABN 88 921 922 700
AND CONTROLLED ENTITIES

Additional information required by listed public companies for the year ended 30 June 2009.

The following information is required by the Australian Stock Exchange. Information relating to security holders as at 18 August 2009.

(a) Distribution of security holder number

Category (size of holding)	Number of holders	Securities	%
1-1,000	117	114,210	0.86
1,001-5,000	73	170,608	1.29
5,001-10,000	27	227,920	1.72
10,001-100,000	111	4,910,012	37.03
100,001and over	23	7,835,230	59.10
Totals			100.00

(b) There were 169 holders of less than a marketable parcel of ordinary shares.

(c) There are no unquoted equity securities on issue.

(d) No securities are in voluntary escrow:

(e) As at 18 August 2009, there are four substantial shareholders in CKP, as set out below:

Security Holder	Number held	Percentage
Mr Robert Stanway	1,413,286	10.66%
Mr Sean Edwards	1,212,024	9.14%
Mr Tony Marshall	1,154,917	8.71%
Mr Andrew Brown	1,058,100	7.98%

(f) Voting rights

There are no restrictions on voting rights. On a show of hands every member present in person, attorney, or by proxy shall have one vote and upon a poll each unit shall have one vote.

(g) Audit Committee

At the date of the Director's report, CKP has a committee of two Non-Executive Directors and one Executive Director which meets with CKP's external auditors at least once during each half year. These meetings take place prior to the finalisation of the half year financial statements and the Annual Report and prior to the signing of the Audit Report.

CHEVIOT KIRRIBILLY VINEYARD PROPERTY TRUST
ABN 88 921 922 700
AND CONTROLLED ENTITIES

Security Holder Information (continued)

(h) 20 largest security holders

As at 18 August 2009	**Number**	**%**
Willowtree Pty Ltd <Rob Stanway Family a/c>	1,275,486	9.62
Iburis Pty Ltd	1,156,640	8.72
Rowe Street Investments Pty Ltd	1,029,021	7.76
Next Australia Pty Ltd <Next Super Fund a/c>	843,137	6.36
Jedburgh Pty Ltd <JDF Neurological S/F a/c>	335,862	2.53
Next Australia Pty Ltd	311,780	2.35
Kutie Pty Ltd <RDB Family a/c>	273,000	2.06
Mr Wolfgang Zeidler	256,404	1.93
Megwil Pty Ltd <WPG Super Fund a/c>	251,959	1.90
Amec Properties Pty Ltd	200,379	1.51
Mr B.S. Edwards & Mrs B.E. Edwards	191,181	1.44
Turian Pty Ltd	186,312	1.41
Sambaitow Pty Ltd	170,000	1.28
Dimonte Pty Ltd <Dimonte Super Fund a/c>	169,253	1.28
Mr Walter Donaldson	157,263	1.19
Mr B.G. Hill & Mrs D. Hill <The Dinkum Super Fund a/c>	148,400	1.12
Mr B.D. Kay & Mrs H.W. Kay <Kay Super Fund a/c>	144,045	1.09
Megwil Pty Ltd <WPG Super Fund a/c>	141,484	1.07
Ace Livestock Consulting Pty Ltd <Ace Livestock S/F a/c>	141,426	1.07
Mr B.G. Hill & Mrs D. Hill <Hill Family a/c>	133,077	1.00
Total held by Top 20 security holders	7,516,109	56.69
Total securities on issue	13,257,980	100%