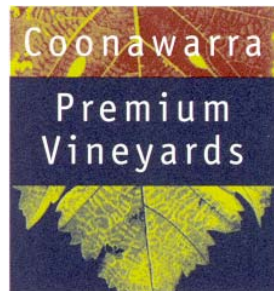


Coonawarra Premium Vineyards Project No. 2

ARSN 096 298 074



Half-Year Report for the half-year ended 31 December 2003

Responsible Entity:

Coonawarra Premium Vineyards Limited

ABN 58 086 944 265

AFS Licence No. 226243

Coonawarra Premium Vineyards Project No. 2

Half-year Report for the half-year ended 31 December 2003

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Corporate Information

Responsible Entity:	Coonawarra Premium Vineyards Limited ABN 58 086 944 265 AFS Licence No. 226243
Registered office and principal place of business	Level 1, 7 Greenhill Road, Wayville, South Australia 5034
Phone:	+61 8 8299 9455
Fax:	+61 8 8299 9355
Email:	inquiries@coonawarravineyard.com.au
Auditors	Deloitte Touche Tohmatsu, Adelaide
Bankers	Commonwealth Bank of Australia, Adelaide

Coonawarra Premium Vineyards Project No. 2

Directors' Report

The directors of Coonawarra Premium Vineyards Limited ACN 086 944 265 (RE), as Responsible Entity for the Coonawarra Premium Vineyards Project No. 2 ARSN 096 298 074 (Project), present their report on the Project for the half-year ended 31 December 2003. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

Directors

The names and particulars of the directors of the RE during or since the end of the half-year are:

Name	Particulars
Mr Richard P. Beck	FVLE, FAID, FAIM Non-executive Chairman with extensive experience on many public company boards and has established a highly successful funds management business.
Mr Rex L. Watson	Executive Director. Founder in 1991 and Managing Director of a company providing diversified services to the Australian and New Zealand Wine Industry until acquisition by Brambles Limited in 1998. More recently, the driving force behind the development of approximately 1,000 acres of vineyard in Australia's premium wine grape growing region – Coonawarra.
Mr Paul H. Miller	B Ag Sci. Executive Director and Compliance Officer. Has over 20 years experience as a research scientist, a consulting horticulturalist, and since 1997 in commercial viticulture.

Review Of Operations

Coonawarra Premium Vineyards Project No. 2 is an unlisted Registered Scheme, established and operating in Australia. The Project's principal activity in the course of the half-year was to grow wine grapes on behalf of Investors in the Project on land made available under a 15 year license agreement by CPV Land Holdings Ltd ABN 96 094 489 639 (Company). Upon the expiry of the licences, ownership of improvements to the land vests in the Company. The Project has no employees.

There were no significant changes in the nature of those activities.

A summary of the revenue and results for the half-year is set out below.

	2003	2002
	\$	\$
Fees payable by growers	466,481	1,346,942
Expenses	467,082	1,430,661
Net profit	-	-

Signed in accordance with a resolution of the directors.



R L Watson
Director

Adelaide, 26 February 2004

Coonawarra Premium Vineyards Project No. 2

Statement of Financial Performance for the half-year ended 31 December 2003

	Half-year 2003 \$	Half-year 2002 \$
Operating revenue		
Fees payable by growers	466,481	1,059,758
Application fees	-	287,184
Interest income - other entities	601	3,285
Interest income - growers	-	80,434
Revenue from ordinary activities	467,082	1,430,661
Application fees	-	(287,184)
Licence fees	(62,989)	(110,400)
Management fees	(404,093)	(1,033,077)
Borrowing costs	-	-
Profit from ordinary activities before related income tax expense	-	-
Income tax expense relating to ordinary activities	-	-
Profit from ordinary activities after related income tax expense	-	-
Net profit	-	-
Total changes in equity other than those resulting from transactions with owners as owners	-	-

Notes to the financial statements are included on pages 7 & 8

Coonawarra Premium Vineyards Project No. 2

Statement of Financial Position as at 31 December 2003

	31 December 2003	30 June 2003
	\$	\$
Current assets		
Cash assets	98,308	173,862
Receivables	176,848	119,734
Other financial assets	97,622	-
TOTAL CURRENT ASSETS	<u>372,778</u>	<u>293,596</u>
TOTAL ASSETS	<u>372,778</u>	<u>293,596</u>
Current liabilities		
Payables	275,156	293,596
Other current liabilities	97,622	-
TOTAL CURRENT LIABILITIES	<u>372,778</u>	<u>293,596</u>
TOTAL LIABILITIES	<u>372,778</u>	<u>293,596</u>
NET ASSETS	<u>-</u>	<u>-</u>
EQUITY		
Contributed equity	<u>-</u>	<u>-</u>
PARENT ENTITY INTEREST & TOTAL EQUITY	<u>-</u>	<u>-</u>

Notes to the financial statements are included on pages 7 & 8

Coonawarra Premium Vineyards Project No. 2

Statement of Cash Flows for the half-year ended 31 December 2003

	Half-year 2003 \$	Half-year 2002 \$
Cash flows from operating activities		
Receipts from customers	311,745	1,509,685
Payments to suppliers	(387,900)	(1,759,411)
Interest received	601	83,719
Interest and other costs of finance paid	-	-
Net cash provided by / (used in) operating activities	(75,554)	(166,007)
Net cash provided by / (used in) investing activities	-	-
Net cash provided by / (used in) financing activities	-	-
NET INCREASE / (DECREASE) IN CASH HELD	(75,554)	(166,007)
Cash at the beginning of the half-year	173,862	199,177
CASH AT THE END OF THE HALF-YEAR	98,308	33,170

Notes to the financial statements are included on pages 7 & 8

Coonawarra Premium Vineyards Project No. 2

Notes to the Financial Statements for the half-year ended 31 December 2003

1. Basis of preparation of half-year report

Financial Reporting Framework

The half-year financial report is a general purpose financial report. It has been prepared in accordance with Accounting Standard AASB1029 "Interim Financial Reporting", other mandatory professional reporting requirements (Urgent Issues Consensus Views), other pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

The half-year financial report does not include notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2003 and any public announcements made by Coonawarra Premium Vineyards Ltd during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

Significant Accounting Policies

The accounting policies adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the 2003 annual financial report, except as set out in note 2 below.

2. Treatment of revenue and corresponding expenses

Revenue and expenses recognised in the 30 June 2003 and 31 December 2002 financial reports were recognised when amounts were invoiced. Transactions are now recognised on an accruals basis.

As the contract from which revenue derives is matched by a back to back management fee expense contract, and the accounting basis for both contracts has changed in the same manner and to the same extent, there is no effect on net profit or net assets in either the current or comparative reporting periods. No adjustment is required to opening equity balances. Comparative figures in this half-year report have not been changed from those reported previously.

Proforma financial information is presented below to show the information that would have been disclosed in the statement of financial performance for the half-year ended 31 December 2002 on the new basis.

	Half-year 2003	Half-year 2002	Half-year 2002
		<u>As reported</u>	<u>Proforma</u>
Operating revenue	\$	\$	\$
Fees payable by growers	466,481	1,059,758	740,818
Application fees	-	287,184	-
Interest income - other entities	601	3,285	3,285
Interest income - growers	-	80,434	80,434
Revenue from ordinary activities	467,082	1,430,661	824,537
Application fees	-	(287,184)	(173,235)
Licence fees	(62,989)	(110,400)	(60,720)
Management fees	(404,093)	(1,033,077)	(590,582)
Borrowing costs	-	-	-
Profit from ordinary activities before related income tax expense	-	-	-

Coonawarra Premium Vineyards Project No. 2

3. Segment Information

The Project operates solely in South-Eastern Australia and solely within the primary production (wine-grape growing) industry.

4. Contingent Assets and Liabilities

The Company had no contingent assets or liabilities as at the last reporting date of 30 June 2003. No contingent assets or liabilities have arisen since that date.

5. Additional Information

The Project is an unlisted Registered Scheme operating in Australia. Other than the directors of the RE, the Project has no employees.

Coonawarra Premium Vineyards Project No. 2

Directors' Declaration

The financial statements and notes thereto of the Coonawarra Premium Vineyards Project No.2 (Project) for the half-year ended 31 December 2003 have been prepared by Coonawarra Premium Vineyards Limited (Responsible Entity) in accordance with the Corporations Act 2001.

The directors of the Responsible Entity declare that the financial statements and notes set out on pages 4 to 8:

- a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b) give a true and fair view of the Project's financial position as at 31 December 2003 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- b) there are reasonable grounds to believe that the Project will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.



R L Watson
Director

Adelaide, 26 February 2004

INDEPENDENT REVIEW REPORT TO THE MEMBERS OF COONAWARRA PREMIUM VINEYARDS PROJECT NO. 2

Scope

We have reviewed the financial report of Coonawarra Premium Vineyards Project No. 2 for the half-year ended 31 December 2003 as set out on pages 4 to 9. The directors' of the Responsible Entity, Coonawarra Premium Vineyard Ltd are responsible for the financial report. We have performed an independent review of the financial report in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements, so as to present a view which is consistent with our understanding of the registered scheme's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the registered scheme to lodge the financial report with the Australian Securities and Investments Commission.


Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. A review is limited primarily to inquiries of the entity's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coonawarra Premium Vineyards Project No. 2 is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the registered scheme's financial position as at 31 December 2003 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.


DELOITTE TOUCHE TOHMATSU


Stephen Harvey
Partner
Chartered Accountants

Adelaide, 26 February 2004

Member of
Deloitte Touche Tohmatsu