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CCW CO-OPERATIVE LIMITED

ANNUAL REPORT & STATEMENTS

2009



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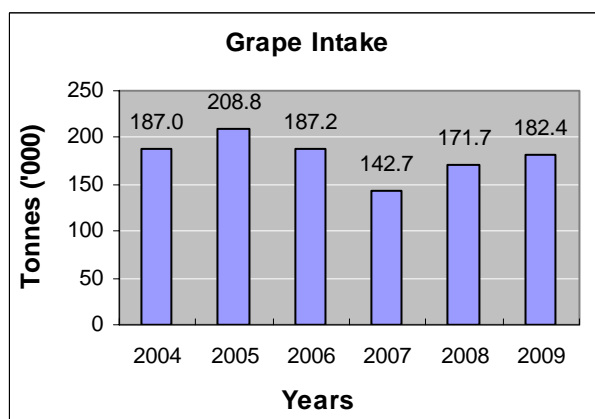
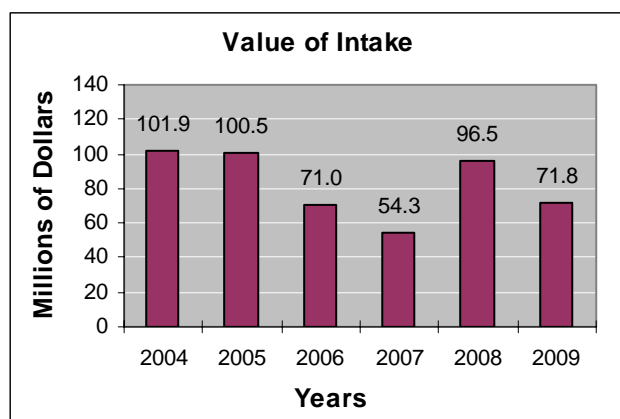
Chairman's Review of Operations

CCW Co-operative Limited

This is the twentieth report of the Co-operative's operations since the restructure of CCW Co-operative Limited.

During 2009, 182,350 tonnes of grapes were delivered to Constellation Wines Australia (CWAU) which was approximately 82% of our schedule tonnes. Grape prices were significantly lower than 2008 vintage and this resulted in an average price of \$393.66 per tonne being paid in 2009, compared to \$562.83 per tonne in 2008, and \$380.96 per tonne in 2007.

The total amount paid for grapes was \$71,783,748 which is approximately \$24.7 million less than the previous year's payments.



2009 VINTAGE

The 2009 vintage commenced on 15th January 2009 and the final deliveries were made on 17th April 2009. The 93 days processing was two weeks longer than the 2008 vintage, however, an additional 10,632 tonnes of fruit was processed in this period.

Water restrictions at 18% of allocations (32% in 2008) again resulted in growers having to lease in additional water to ensure a crop for the 2009 vintage. This added cost is having a huge influence on the viability of many members.

Pricing negotiations for the 2009 vintage resulted in growers best returns being achieved at a restricted yield for the major varieties.

The final average yields for these varieties were:

Chardonnay	21.9 t/ha	(yield cap – 22 t/ha)
Colombard	26.2 t/ha	(yield cap – 28 t/ha)
Cabernet	18.5 t/ha	(yield cap – 20 t/ha)
Shiraz	19.2 t/ha	(yield cap – 20 t/ha)

In general the yields for most varieties were up on those of 2008 vintage, even given the reduced water allocations.

Chairman's Review of Operations (Cont.)

CCW Co-operative Limited

VITICULTURAL ACTIVITIES

The 2009 calendar year was again very busy and for CCW viticultural staff, despite the continuing challenges presented by the ongoing drought conditions, water restrictions and heat waves.

It is also with much sadness that we acknowledge the passing of Peter Burne, Senior Viticultural Officer with CCW for over 9 years.

In October 2009 we welcomed Andrew Weeks to our Viticultural team to take on the role of Senior Viticultural Officer.

Throughout the year, the viticultural team's duties included: -

- Telephone enquiries; grower office visits and property visits relating to all aspects of viticulture, including shed meetings to discuss matters in a more informal environment.
- Producing monthly reports on viticultural activities and reporting to the Board.
- Providing the regular fax advisory service – 24 advisory faxes were produced during the 2009 year.
- Disease management preceding and during the 2009 vintage – moderate levels of powdery mildew for the season – and these select patches were targeted in the 2009 growing season.
- Dealing with the late January/early February heatwave and subsequent widespread sunburn and shrivel of fruit.
- 2009 vintage colour comparison – 60 premium red grape samples were collected at the testing station and analysed at the AWRI to cross check against the CWAU NIRS result.
- Continued assistance to growers in managing water restrictions, irrigation conversions and using the CCW water budgeting tool
- Representing CCW members in negotiations with CWAU regarding a wide range of viticultural and grape quality matters, particularly powdery mildew, berry shrivel and MOG (material other than grapes).
- Providing comprehensive site specific advice on a wide range of viticultural matters.

Chairman's Review of Operations (Cont.)

CCW Co-operative Limited

- Conducting a trial looking at the use of gibberellic acid (GA) to decrease the compactness of Sauvignon Blanc bunches.
- Continued communication to growers regarding improving the colour performance of premium red patches with a history of low colour – a marked improvement was observed in the 2009 vintage.
- Coordinating a petiole analysis service and providing interpretation.
- Assisting many growers to comply with their HACCP and spray diary requirements.
- In conjunction with CWAU surveyed all contracted vineyards during spring 2009.
- Producing Fact Sheet number 11: “Water Supply and Vine Response in the Riverland”.
- Attended the Riverland Alternative Wine Group seminar and the ASVO ‘Vineyard Soil Health’ seminar.
- Conducting four shed meetings discussing a wide range of topics and conducting two pest and disease management update meetings specifically for CCW’s Sikh growers.
- Representing CCW at the following:
 - Riverland Viticultural Technical Group
 - Annual Viticultural Agrochemical Users Group meeting
 - Climate Change Act information session
 - Phylloxera board regional meeting
 - Riverland Vine Improvement Committee
 - Riverland Winegrape Growers Association
 - Innovation Policy Committee
 - Riverland Alternative Variety Group

Chairman's Review of Operations (Cont.)

CCW Co-operative Limited

GENERAL

The national oversupply and poor prices over the past years have forced many growers to evaluate their viability in the industry and this has also had an effect on CCW members. To date, CCW has been advised by more than 50 of its members that they are exiting the industry, both with and without the support of the Federal Government Exit Package.

While it is inevitable that growers need to exit to bring grape supply back into balance, it is regrettable that CCW members find themselves unable to continue.

CCW Directors and staff continue to have a presence on our peak industry bodies, locally and at state level. Attendance at wine industry meetings and presentations keeps your Board abreast of all industry matters.

At numerous growers meetings held in late 2009, the Board presented some options for "value adding" to CCW. These options have been progressed and an update on progress will be presented at the upcoming Annual General Meeting.

I would like to take the opportunity to thank my fellow Board members for their support and input over the past year. At the last Annual General meeting we saw a change in Directors, whereby David Ludas retired after 15 years of invaluable service to members and Louis Curtis was appointed to the Board.

I would like to thank our viticultural and administrative staff for their assistance to the Board and support supplied to our shareholders.

JIM CADDY
CHAIRMAN

Corporate Governance

CCW Co-operative Limited

The Co-operative exists to foster the welfare of its members. A key element of this is the Preferred Supplier Agreement with Constellation Wines Australia.

Preferred Supplier Agreement

The Preferred Supplier Agreement with Constellation Wines Australia is one of the cornerstones of the relationship between the two organisations and the Co-operative will act to protect this arrangement, this includes the acceptance of market requirements for wine styles and pricing structures with the intention to safeguard the welfare of its members.

Functions of the Board

The Directors of CCW Co-operative Limited are responsible to shareholders for the short term and long term performance of the Co-operative.

Their focus is to enhance the interests of shareholders and to ensure that its main responsibilities, to negotiate with Constellation Wines Australia annual grape prices including bonus payments, condition to payments and individual supply agreements of its members.

The functions of the Board include:

- Review and approval of corporate strategies, the annual budget and the financial plans;
- Overseeing and monitoring annual grape prices and individual grape supply agreements;
- Monitoring the financial performance including the approval of the annual financial report and liaising with the co-operative's auditors;
- Appointment of and assessment of the performance of the Chief Executive Officer and management team;
- Ensuring that there are effective management processes in place and approving major initiatives;
- Enhancing and protecting the reputation of the Co-operative.
- Ensuring that significant risks facing the Co-operative have been identified and appropriate and adequate control monitoring and reporting mechanisms are in place; and
- The day to day management of the Co-operative affairs and implementation of strategy and policy initiatives are delegated by the Board to the Chief Executive Officer.

Corporate Governance (Cont.)

CCW Co-operative Limited

- To negotiate prices each vintage with Constellation Wines Australia, enabling the Co-operative member to receive a commercially competitive price and benefits of any subsequent negotiations regarding price variations.
- Review and oversee the technical support for quality grape production by the members through access to its own Viticultural officers (and valuable information relating to property redevelopment).

Board Membership

The Board is presently comprised of a non-executive Chairman and six non-executive Directors, all of whom are members of the Co-operative.

The rules of the Co-operative limit the number of Directors to a minimum of five and a maximum of number of Directors to eight.

The composition of the Board and the selection and nomination of Directors to fill vacancies of Directors is determined by the Shareholders in general meeting.

The appointed Board have the approval to fill casual vacancies as and when they arise.

A person is not qualified to be a Director unless he or she is an active member of the Co-operative or a representative of a body corporate which is an active member, details of which are set out in the rules of the Co-operative.

The rules of the Co-operative specifies that at each Annual General Meeting of the Co-operative, two Directors must retire from office, those retiring being the longest serving on the Board and eligible retiring Directors may stand for re-election.

The Board on average meets for Board meetings twelve times a year and additional strategy meetings are also held.

Board meetings are held at the Co-operative's head office.

Conflicts of Interest

Directors are required to disclose to the Board any actual or perceived interest they may have in any decision relating to the conduct of the Co-operative's activities.

Where a Director has a material personal interest in the matter, the interested Director does not participate in any discussion or vote on the matter concerned.

Corporate Governance (Cont.)

CCW Co-operative Limited

Board Representation

The Directors of the Co-operative are responsible to appoint one non-executive Director to the Board of Berren Asset Management Limited.

All matters relating to the future of Berren Asset Management Limited are subject to consideration and approval by the full Board of the Co-operative.

Independent Advice

Directors may seek independent advice on matters at the Co-operative's expense subject to the approval of the Board which would not be unreasonably withheld.

Board Committees

The Board has established a formal Audit Committee to assist in the execution of duty and to allow detailed consideration of the co-operative's financial affairs.

The committee structure and membership is reviewed bi-annually.

Each of the committees has its own written policy setting out its role and responsibilities and the manner in which the committee is to operate.

Audit Committee

The Audit Committee comprises three non-executive Directors.

The committee meets as required but on average at least three times a year to review the annual financial reports, accounting policies, controls of the co-operative's activities and other related issues.

Meetings of the committee are attended by a partner of the auditor of the Co-operative, the Chief Executive Officer and other staff by invitation.

Remuneration Committee

The remuneration committee comprises two non-executive Directors, being the Chairman and Deputy Chairman, and they consider the remuneration of the Chief Executive Officer and other Viticultural employees and the level of Directors Fees.

The Board obtains external advice from consultants and advisors as required.

Directors' Report

CCW Co-operative Limited

Your Directors present their report on the co-operative for the year ended 31 December 2009.

(a) Directors

The names of the Directors in office at any time during or since the end of the year are:-

J Caddy (Chairman); P A Hill (Deputy Chairman); S Albanese; R K Brock; R G Chabrel; B J Fletcher; D Ludas (retired 21/04/2009), Louis Curtis (appointed 21/04/2009). Directors have been in office since the start of the financial year and the date of this report unless otherwise stated.

(b) Company Secretary

The following person held the position of entity secretary at the end of the financial year:

M A Voigt - Company Secretary since July 2007

Mark Voigt was previously employed by Constellation Wines Australia for 33 years in various administration and accounting positions.

(c) Principal Activities

The principal activity of the co-operative during the financial year was:

- Marketing grapes.

No significant change in the nature of this activity occurred during the financial year.

(d) Operating Result

The operating surplus/(deficit) to members after providing for income tax amounted to \$132,956 (2008, (\$639,926)).

(e) Interest on Share Capital paid or recommended

No interest on capital was paid since the end of the last financial year and the directors recommend that no interest on capital be provided for or paid in respect to the current year.

(f) Information on Directors

J Caddy

Non Executive Chairman since 2000 and Director since 1994

Member and Chairman of the Remuneration Committee

Age: 53 years

Chairman of IWIF Holdings Limited, Deputy Chairman of Grape and Wine Research and Development Corporation, Board member of the Phylloxera and Grape Industry Board of South Australia. Jim Caddy is a third generation CCW shareholder. He owns and manages a vineyard business in Winkie, South Australia and has been a CCW shareholder for 25 years.

Number of Board meetings attended: 15

Number of Sub-Committee meetings attended: 7

P A Hill

Non Executive Deputy Chairman since 2008; and Director since 2003

Member of the Audit Committee

Member of the Remuneration Committee

Age: 46 years

Director of Ridgehill Properties Pty Ltd, Director of Calyx Fresh Pty Ltd, Chairman of So Aussie Fresh Pty Ltd, Chairman of So Aussie Fresh Investments Pty Ltd.

Peter Hill is a Director of Ridgehill Properties Pty Ltd, a horticultural company involved in the growing of grapes in Loxton South Australia. He has been actively involved in the grape and wine industry for 21 years. He has been a CCW shareholder for 12 years.

Number of Board meetings attended: 17

Directors' Report (Cont.)

CCW Co-operative Limited

Number of Sub-Committee meetings attended: 6

S Albanese

Non Executive Director since 2003

Member of the Audit Committee

Age: 53 years

Director of Albanese Bros. Pty Ltd, Director of Albanese Brothers Nominees Pty Ltd and Albanese Brothers Investment Trust, Director of So Aussie Fresh Pty Ltd Director of So Aussie Fresh Investments Pty Ltd, Director of Calyx Pty Ltd.

Sam Albanese is a Director of Albanese Bros. Pty Ltd, a horticultural company involved in the growing of grapes in Pike River, South Australia. He has been actively involved in the grape and wine industry for 30 years. He has been a CCW shareholder for 30 years.

Number of Board meetings attended: 17

Number of Sub-Committee meetings attended: 5

R K Brock

Non Executive Director since 2004

Age: 68 years

Member of Barmera Agricultural Bureau

Member of the Riverland Vine Improvement Committee

Reg Brock is a Director of Rivervines (SA) Pty Ltd, a horticultural company involved in the growing of grapes in Barmera, South Australia. He has been actively involved in the grape and wine industry for 36 years. He has been a CCW shareholder for 36 years.

Number of Board meetings attended: 17

Number of Sub-Committee meetings attended: 2

R G Chabrel

Non Executive Director since 1975

Member of the Audit Committee

Age: 63 years

Previous Deputy Chairman of BRL Hardy Limited

Previous Chairman of the International Wine Investment Fund

Director of Marnin's Hill Pty Ltd.

Robert Chabrel is a Director of Marnin's Hill Pty Ltd, a horticultural company involved in the growing of grapes and manages a grape harvesting business in Barmera South Australia. He has been actively involved in the grape and wine industry for 42 years. He has been a CCW shareholder for 41 years.

Number of Board meetings attended: 16

Number of Sub-Committee meetings attended: 1

L Curtis

Non Executive Director since 2009

Age: 36 years

Louis Curtis is a Director of Curtis Vineyards Pty Ltd, a family owned business involved in the growing of grapes in Pike River, South Australia, which has been a member of CCW for over 40 years. Louis has been a CCW shareholder for 15 years. Director of Curtis Nominees Pty Ltd.

Number of Board meetings attended: 12

Number of Sub-Committee meetings attended: 4

Directors' Report (Cont.)

CCW Co-operative Limited

B J Fletcher

Non Executive Director since 2001

Age: 52 years

Managing Director of Fletchers' Freighters Pty Ltd, Director Fletchers' Equipment Pty Ltd, Director Fletchers Properties Pty Ltd.

Barry Fletcher owns and manages a vineyard business in Barmera, South Australia. He has been actively involved in the grape and wine industry for 30 years and has been a CCW shareholder for 14 years.

Number of Board meetings attended: 10

Number of Sub-Committee meetings attended: 0

During the financial year 17 meetings of Directors were held. The number of meetings attended by each director during the year is stated in this report.

(g) Review of operations and results

A review of operations of the co-operative and the results of the co-operative are contained in the Chairman's Review of Operations and form part of this report.

(h) Significant change in the state of affairs

No significant changes in the co-operative's state of affairs occurred during the financial year.

(i) After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the co-operative the results of its operations, or the state of affairs of the co-operative in future financial years.

(j) Future developments and results

Likely developments in the operations of the co-operative and the expected results of those operations in future years have not been included in this report as the directors believe, on reasonable grounds that the inclusion of such information would be likely to result in unreasonable prejudice to the co-operative. There are no material likely developments in the operations other than that contained in the Chairman's Review of Operations.

(k) Environmental regulations

The co-operative operates predominantly as a marketer of grapes on behalf of its shareholders and is committed to conducting its business activities with respect for the environment while continuing to meet expectations of shareholders, employees, and suppliers. During the year and to the date of this report, no particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory has applied to the co-operative or its operations.

(l) Options

No options over issued shares or investments in the co-operative were granted during or since the end of the financial year and there were no options outstanding at the end of the financial year.

(m) Indemnifying officers or Auditor

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

(n) Proceeds on behalf of the entity

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

The co-operative was not a party to any such proceedings during the year.

Directors' Report (Cont.)

CCW Co-operative Limited

(o) Auditor's Independence Declaration

The auditor's independence declaration for the year ended 31st December 2009 has been received and can be found on page 40 of the Financial Report.

Signed in accordance with a resolution of the Board of Directors at Berri this 17th day of March 2010.

J CADDY
Director

Statement of Comprehensive Income

CCW Co-operative Limited
For the year ended 31st December 2009

	Note	2009 \$	2008 \$
Revenue – Sales of grapes	2	71,879,258	96,050,279
– Other		744,908	981,690
Grape payments		(71,783,748)	(96,507,392)
Employees benefits expense		(261,852)	(251,305)
Depreciation expense	3	(13,389)	(16,585)
Finance costs	3	(149,795)	(367,449)
Impairment of non current investments	3	(13,232)	(77,896)
Other expenses		(240,265)	(310,313)
Share of net profits/(losses) of associated company accounted for using the equity method	9	-	(82,605)
Profit/(loss) before income tax		161,885	(581,576)
Income tax (expense) relating to ordinary activities	4	(14,804)	(12,772)
Profit/(loss) for the year		147,081	(594,348)
Other comprehensive income/(expense) after income tax:			
Revaluation reserve movements		(14,125)	(99,578)
Other comprehensive income/(expense) for the year, net of tax		(14,125)	(99,578)
Total comprehensive income/(expense)		132,956	(639,926)
Profit/(loss) attributable to members of the Co-operative		132,956	(594,348)
Total comprehensive profit/(loss) attributable to members of the Co-operative		132,956	(639,926)

The accompanying notes form part of these financial statements.

Statement of Financial Position

CCW Co-operative Limited
As at 31st December 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	4,114,567	4,439,093
Trade and other receivables	6	19,928	298,584
TOTAL CURRENT ASSETS		4,134,495	4,737,677
NON-CURRENT ASSETS			
Plant and equipment	7	68,938	53,679
Investments accounted for using the equity method	8	-	-
Other financial assets	10	60,496	88,411
Deferred tax assets	11	6,729	21,533
TOTAL NON-CURRENT ASSETS		136,163	163,623
TOTAL ASSETS		4,270,658	4,901,300
CURRENT LIABILITIES			
Trade and other payables	12	237,561	83,865
Financial liabilities	13	2,410,530	3,136,807
TOTAL CURRENT LIABILITIES		2,648,091	3,220,672
NON-CURRENT LIABILITIES			
Trade and other payables	12	190,500	206,400
Deferred Tax Liabilities	11	-	-
TOTAL NON-CURRENT LIABILITIES		190,500	206,400
TOTAL LIABILITIES		2,838,591	3,427,072
NET ASSETS		1,432,067	1,474,228
EQUITY			
Reserves	14	1,940,912	1,955,037
Retained earnings		(508,845)	(480,809)
TOTAL EQUITY		1,432,067	1,474,228

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

CCW Co-operative Limited
As at 31st December 2009

	Retained Earnings \$	Asset Revaluation Reserve \$	General Reserve \$	Total \$
Balance at 31 December 2007	(175,656)	113,703	1,940,912	1,878,959
Total other comprehensive income/(expense) for the year	-	(99,578)	-	(99,578)
Net profit/(loss) attributable to members of the Co-operative	(594,348)	-	-	(594,348)
Decrease in members credits due	289,195	-	-	289,195
Balance at 31 December 2008	(480,809)	14,125	1,940,912	1,474,228
Balance at 31 December 2008	(480,809)	14,125	1,940,912	1,474,228
Total other comprehensive income/(expense) for the year	-	(14,125)	-	(14,125)
Net Profit/(loss) attributable to members of the Co-operative	147,081	-	-	147,081
(Increase) in members credits due	(175,117)	-	-	(175,117)
Balance at 31 December 2009	(508,845)	-	1,940,912	1,432,067

The accompanying notes form part of these financial statements.

Statement of Cash Flows

CCW Co-operative Limited
For the year ended 31st December 2009

	Note	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		72,242,321	96,284,596
Payments to suppliers and employees		(72,317,816)	(97,053,472)
Dividends received		-	33,163
Interest received		631,092	657,804
Finance costs		(149,795)	(367,449)
Net cash provided by/(used in) Operating Activities	20(b)	405,802	(445,358)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(41,430)	(1,235)
Proceeds from sale of property, plant and equipment		15,500	-
Net decrease in lease receivable		-	603,000
Proceeds from winding up of investment		25,779	118,279
Payment for Investments		-	(15,769)
Net cash (used in)/provided by Investing Activities		(151)	704,275
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		2,100	5,100
Payments for shares withdrawn		(6,000)	(6,600)
Repayment of borrowings		(726,277)	(256,582)
Net cash (used in) Financing Activities		(730,177)	(258,082)
Net increase / (decrease) in cash		(324,526)	835
Cash at beginning of the year		4,439,093	4,438,258
Cash at end of the year	20(a)	4,114,567	4,439,093

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

CCW Co-operative Limited
For the year ended 31st December 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The financial statements are general purpose financial statements that has been prepared in accordance with the Co-operatives Act, Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of the financial statements are presented below. They have been consistently applied unless otherwise stated.

Reporting Basis and Conventions

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

Accounting Policies

(a) **Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside the profit and loss when the tax relates to items that are recognised outside the profit and loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(a) **Income Tax (cont.)**

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(b) **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and Equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

All non current assets are depreciated over their estimated useful lives, on either a straight line or diminishing value basis, commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Straight Line Depreciation	Diminished value Depreciation
Plant and equipment	30% - 33.33%	7.5% - 33.33%
Motor vehicles	-	22.5%

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(b) Property, Plant and Equipment (cont.)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(c) Impairment of Assets

At each reporting date, the Co-operative reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amounts is expensed to the statement of comprehensive income.

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

(d) Financial Instruments

Initial Recognition and Measurement

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

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

Derecognition

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

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(d) Financial Instruments (cont.)

Classification and Subsequent Measurement

Finance instruments are subsequently measured at either fair value, amortised cost using the effective interest rate method or cost. Fair value presents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as: (i) the amount at which the financial asset or financial liability is measured at initial recognition; (ii) less principal repayments, (iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and (iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this life cannot be reliably predicted the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The group does not designate any interest in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit or loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Co-operative's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(d) Financial Instruments (cont.)

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

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

Impairment

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

(e) Investments in Associates

Investments in associate companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognises the Co-operative's share of post acquisition reserves of its associates.

(f) Employee Benefits

Provision is made for the Co-operatives liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

Contributions are made by the Co-operative to an entity sponsored fund or multi industry fund which are enforced and are charged as expenses when incurred.

(g) Provisions

Provisions are recognised when the Co-operative has a legal or constructive obligation, as a result of past events for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments which original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(i) Revenue & Other Income

Revenue from the sale of goods is recognised upon the delivery of goods to customers. Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established. Dividends received from associates are accounted for in accordance with the equity method of accounting. Revenue from the rendering of a service is recognised upon the delivery of the service to the customer. All revenue is stated net of the amount of the Goods and Services Tax (GST).

(j) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Comparative Figures

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

(l) Adoption of New and Revised Accounting Standards

During the current year, the Co-operative has adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory.

The adoption of these Standards has impacted the recognition, measurement and disclosure of certain transactions. The following is an explanation of the impact the adoption of these Standards and Interpretations has had on the financial statements of the Co-operative.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(i) Adoption of New and Revised Accounting Standards (cont.)

AASB Amendment	Standards Affected	Outline of Amendment	Application date of Standard	Application date for Co-operative
AASB 2007-8 Amendments to Australian Accounting Standards	AASB 101 Presentation of Financial Statements	The revised AASB 101: Presentation of Financial Statements issued in September 2007 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity.	1.1.2009	1.1.2009
AASB 101	AASB 101 Presentation of Financial Statements	Other comprehensive income - The revised version of AASB 101 introduces the concept of 'other comprehensive income' which comprises of income and expense that are not recognised in profit or loss as required by other Australian Accounting Standards. Items of other comprehensive income are to be disclosed in the statement of comprehensive income. Entities are required to disclose the income tax relating to each component of other comprehensive income. The previous version of AASB 101 did not contain an equivalent concept.	1.1.2009	1.1.2009

The adoption of all other mandatory changes and amendments to Australian accounting standards resulted in no material impact on the financial statements of the Co-operative.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

(l) Adoption of New and Revised Accounting Standards (cont.)

New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Co-operative has decided not to early adopt. A discussion of those future requirements and their impact on the group is as follows.

AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 - Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009).

The amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value less costs to distribute. This amendment is not expected to impact the Co-operative as it does not distribute non-cash assets.

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

These amendments detail numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Co-operative.

AASB 2009-7: Amendments to Australian Accounting Standards [AASB 5, 7, 107, 112, 136 & 139 and Interpretation 17] (applicable for annual reporting periods commencing on or after 1 July 2009).

This amendment reflects editorial changes made to a number of Accounting Standards by the IASB. No changes are expected to materially affect the Co-operative.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

	Note	2009	2008
		\$	\$
2. REVENUE			
Sales revenue – sale of grapes		71,879,258	96,050,279
Dividends received		25,221	33,163
Other income		367,852	207,785
Lease finance revenue		-	17,880
Interest received	2 (a)	351,835	722,862
Total Revenue		72,624,166	97,031,969
(a) Interest received from:			
Others		351,835	722,862
		351,835	722,862

3. PROFIT/(LOSS)BEFORE INCOME TAX

Profit/(loss) from ordinary activities before income tax expense has been determined after:

Finance Costs Expenses			
To other persons		149,795	367,449
Depreciation of non current assets			
- plant and equipment		3,790	5,101
- motor vehicles		9,599	11,484
		13,389	16,585
Other Expenses			
- Impairment of Non current Investments		13,232	77,896

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

	Note	2009 \$	2008 \$
4. INCOME TAX EXPENSE			
(a) The components of tax expense comprise:			
Current Tax		-	-
Deferred Tax	11	14,804	12,772
		14,804	12,772
(b) The prima facie tax payable on profit/(loss) from ordinary activities before income tax is reconciled to the income tax expense as follows:			
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30%		48,566	(174,473)
Derecognition of fair value adjustment		-	19,896
Movement in growers credits (increase)/decrease		(52,535)	86,759
Capital Gain IWIF		-	(475)
Share of net profits of Berren netted directly		(4,238)	82,605
Temporary differences brought to account		23,011	(1,540)
		14,804	12,772
(c) Balance of the franking account at year end adjusted for franking credits arising from payment of income tax payable and payment of proposed dividend		229,628	177,164
5. CASH AND CASH EQUIVALENTS			
Cash on hand		200	200
Cash at bank		127,717	28,046
Deposits at call		3,986,650	4,410,847
		4,114,567	4,439,093

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

	Note	2009	2008
		\$	\$
6. TRADE AND OTHER RECEIVABLES			
Current			
Sundry debtors		19,928	298,584
		19,928	298,584
		19,928	298,584
7. PLANT AND EQUIPMENT			
Office Equipment			
At cost		43,851	42,766
Less accumulated depreciation		(29,466)	(28,642)
		14,385	14,124
		14,385	14,124
Motor Vehicle			
At cost		72,369	69,165
Less accumulated depreciation		(17,816)	(29,610)
		54,553	39,555
		54,553	39,555
Total Plant and Equipment		68,938	53,679

(a) Movements in carrying amounts

Movement in the carrying amounts for each class of plant & equipment between the beginning and the end of the financial year:

	Plant and Equipment		Motor Vehicles		Total	
	2009	2008	2009	2008	2009	2008
Balance at the beginning of the year	14,124	17,990	39,555	51,039	53,679	69,029
Additions	4,051	1,235	37,380	-	41,431	1,235
Disposals / transfers	-	-	(12,783)	-	(12,783)	-
Depreciation expenses	(3,790)	(5,101)	(9,599)	(11,484)	(13,389)	(16,585)
Carrying amount at the end of the year	14,385	14,124	54,553	39,555	68,938	53,679
	14,385	14,124	54,553	39,555	68,938	53,679

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

	Note	2009	2008
		\$	\$
8. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD			
Berren Asset Management Limited (Berren)	9 (a)	-	-

9. ASSOCIATED COMPANIES

Material Interest

Name	Principal Activity	Reporting Date	Percentage of each Class Held		Profit Distributions Received		Interest in Shares	
			2009	2008	2009	2008	2009	2008
					\$,000	\$,000	\$,000	\$,000
Berren Asset Management Limited	Trust Manager	30/6/2010						
		Ordinary "B" Class CRPS	30	30	-	-	-	-
			27	27	-	-	13	40

The country of incorporation is Australia.

Investment in Associated Company

Interest held is as follows:

Name	Principal Activities	Ownership Interest		Carrying Amount of Investment	
		2009	2008	2009	2008
		%	%	\$	\$
Berren Asset Management Limited	Management of the International Wine Investment Fund	30	30	-	-

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

9. ASSOCIATED COMPANIES (Cont.)

	Note	2009 \$	2008 \$
(a) Movements during the year in Equity Accounted Investment in Berren			
Balance at beginning of the financial year		-	46,138
Share of Berren's operating profits/(loss) after tax.		-	(82,605)
Share of Berren Asset Revaluation Reserve decrement.	14(b)	-	(113,988)
Impairment of Berren B Class Preference Shares, as equity accounted investment balance has been reduced to zero.		-	150,455
Balance at end of financial year		-	-

The Co-operative has discontinued equity accounting for its investment in Berren, due to its share of losses reducing the carrying value of this investment to zero. Equity accounting will only recommence if the Berren investment records sufficient profit in future periods to offset the unrecognised accumulated losses incurred to date.

	Note	2009 \$	2008 \$
(b) Retained earnings attributable to Berren			
Share of profit/(loss) from ordinary activities before income tax expense		(150,280)	(118,007)
Less share of income tax expense		45,084	35,402
Share of profit/(loss) from ordinary activities after income tax		(105,196)	(82,605)
Share of retained profits at the beginning of the financial year		(177,879)	(95,274)
Share of retained profits/(losses) at the end of the financial year		(283,075)	(177,879)
(c) Reserves attributable to Berren			
Asset Revaluation Reserve			
Balance at beginning of the financial year		5,299	119,287
Share of Reserve increments/(decrement)		142,299	(113,988)
Balance at end of the financial year		147,598	5,299

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

9. ASSOCIATED COMPANIES (Cont.)

	Note	2009	2008
		\$	\$
(d) Summarised presentation of aggregate Assets & Liabilities and performance of Berren			
Current assets		125,089	173,530
Non current assets		77,819	75,277
Total assets		202,908	248,807
Current liabilities		155,749	100,325
Non current liabilities		425,000	650,000
Total liabilities		580,749	750,325
Net assets		(377,841)	(501,518)
Share of net profit/(loss) from ordinary activities after income tax of associate		(105,196)	(82,605)

10. OTHER FINANCIAL ASSETS

Shares & Investments in other companies at cost		800	1,358
Investment in Berren preference shares	(b)	12,733	40,090
Available for sale financial assets	(a)	46,963	46,963
		60,496	88,411
(a) Available for sale financial assets comprise:			
- Shares in unlisted trusts		46,963	46,963
Total Available-for-sale Financial Assets		46,963	46,963

Available-for-sale financial assets comprise investments in the ordinary share capital of various entities. There are no fixed returns or fixed maturity date attached to these investments.

(b) The movement in the investment in Berren preference shares relates to an impairment booked at year end. The carrying value of this investment is measured by the Co-operative's share of the net assets of Berren at balance date.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

	Note	2009 \$	2008 \$
11. TAX			
(a) Liabilities			
<i>Non-Current</i>			
Deferred tax liability comprises equity accounting gain adjustments		-	-
(b) Assets			
<i>Non-Current:</i>			
Deferred tax assets represents			
- Provisions		6,729	5,357
- Fair value adjustment on investments		-	16,176
		6,729	21,533
Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(a) occur:			
- tax losses		95,701	81,770
- capital losses		40,541	-
		136,242	81,770
(c) Reconciliations			
(i) Gross Movements:			
The overall movement in the deferred tax liability account is as follows:			
Opening Balance		-	5,584
Increase/(decrease) in taxable gain		-	(5,584)
Closing Balance		-	-
The overall movement in the deferred tax asset account is as follows:			
Opening Balance		21,533	39,889
Fair value adjustment		-	(19,896)
Increase / (decrease) in provisions		(14,804)	1,540
Closing Balance		6,729	21,533

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

	Note	2009 \$	2008 \$
12. TRADE AND OTHER PAYABLES			
Current			
Unsecured:			
Other creditors and accrued charges		34,131	69,538
Growers payments		-	385
Members credit balances		175,117	-
Members share capital	(a)	18,000	6,000
Employee benefits		10,313	7,942
		237,561	83,865
Non-current			
Members share capital	(a)	190,500	206,400

(a) The Co-operative's shares are redeemable under the rules of the Co-operative.

Employee Benefits	2009
	\$
Opening balance 1 January 2009	7,942
Additional provision raised during the year	16,412
Amounts Used	14,041
Balance 31 December 2009	10,313

13. FINANCIAL LIABILITIES

Current

Short term deposits		2,410,530	3,136,807
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14. RESERVES

General reserve	(a)	1,940,912	1,940,912
Asset revaluation reserve	(b)	-	14,125
		1,940,912	1,955,037

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

14. RESERVES (cont.)

(a) **General Reserve**

The general reserve records funds set aside for future opportunities identified by the co-operative.

(b) **Asset Revaluation Reserve**

The asset revaluation reserve records revaluations of the co-operatives investment in its associated company Berren Asset Management Ltd.

	Note	2009	2008
		\$	\$
15. REMUNERATION OF AUDITORS			
Amounts paid or payable to the Auditors for:			
- Auditing accounts		9,500	9,250
- Other services		3,447	830
		12,947	10,080

16. REMUNERATION OF DIRECTORS

(a) Income paid or payable to all Directors of CCW Co-operative Limited.

68,540 68,115

Occupational Superannuation contributions

1(f) 6,169 5,841

74,709 73,956

(b) Directors were paid the following remuneration:

J Caddy (Chairman)	26,858	25,779
P A Hill (Deputy Chairman)	12,317	10,648
S Albanese	7,368	7,744
R K Brock	7,804	7,636
R G Chabrel	6,061	7,200
B J Fletcher	6,061	6,036
D Ludas	4,200	8,913
L Curtis	4,040	-

74,709 73,956

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

18. ECONOMIC DEPENDENCY

CCW Co-operative Limited ("CCW") is the most favoured preferred supplier to Constellation Wines Australia ("CWAU") of grapes for the production of wine and other grape products. CWAU shall pay to CCW in the calendar year of delivery not less than the most competitive market price for such grapes, provided that the grapes offered by CCW to CWAU meet CWAU reasonable commercial requirements as to quantity, variety and quality in any vintage.

CCW is also dependent on CWAU to provide the supply of premises and operations staff at this point in time.

19. SEGMENT REPORTING

The co-operative operates in the Riverland region of South Australia, marketing member's grapes to Constellation Wines Australia and Boar's Rock Pty Ltd.

20. STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash consists of cash in banks and at call net of bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	2009	2008
	\$	\$
Cash on hand	200	200
Cash at bank	127,717	28,046
Deposit at call	3,986,650	4,410,847
	4,114,567	4,439,093

(b) Reconciliation of profit / (loss) from operating activities to net cash provided by operating activities

Profit / (loss) from operating activities after Income tax	147,081	(594,348)
Non-cash items included in profit / (loss) from operating activities		
Depreciation of assets	13,389	16,585
Impairment of non-current investments	13,232	77,896
Share of Berren's net (profit)/loss after dividends	-	82,605
Changes in assets and liabilities relating to operating activities		
(Increase) / decrease in receivables	(10,539)	(53,750)
(Increase) / decrease in tax assets	14,804	12,772
Increase / (decrease) in creditors	227,835	12,882
	405,802	(445,358)
Net cash provided by / (used in) Operating Activities	405,802	(445,358)

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

20. STATEMENT OF CASH FLOWS (cont.)

(c) Non-cash Financing and Investing Activities

During the previous financial year the co-operative provided wine tanks to Barossa Valley Estate Limited through a vendor finance lease. This provision is not reflected in the comparative amounts in the statement of cash flows.

21. FINANCIAL RISK MANAGEMENT

(a) Financial Risk Management Policies

The co-operative's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, short term deposits and leases.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows

	2009	2008
	\$	\$
Financial Assets		
Cash and Cash Equivalents	4,114,567	4,439,093
Available for Sale Financial Assets		
- Unlisted investments	60,496	88,411
Total Financial Assets	4,175,063	4,527,504
Financial Liabilities		
- Trade and Other Payables	417,748	282,323
- Borrowings	2,410,530	3,136,807
Total Financial Liabilities	2,828,278	3,419,130

The directors overall risk management strategy seeks to assist the Co-operative in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

The main purpose of non-derivative financial instruments is to raise finance for operations.

The Co-operative does not have any derivative instruments at 31 December 2009.

The Board consisting of senior executives of the group meets on a regular basis to analyse financial risk exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. The Boards overall risk management strategy seeks to assist the Co-operative in meeting its financial targets, whilst minimising potential adverse effects on financial performance.

i. Specific Financial Risk Exposure Management

The main risks the Co-operative is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

21. FINANCIAL RISK MANAGEMENT (cont.)

Interest Rate Risk

Interest rate risk is managed with a mixture of fixed or floating rate debt. At 31 December 2009, approximately 91% of the debt is variable representing short term deposits held by growers.

Foreign Currency Risk

The co-operative is not exposed to fluctuations in foreign currencies.

Liquidity Risk

The co-operative manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities and cashflows realised from financial assets.

	Within 30 Days		Within 1 Year		1 to 5 Years		Total	
	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$	2009 \$	2008 \$
Financial Liabilities due for Payment								
Trade & Other Payables	227,248	75,923	-	-	190,500	206,400	417,748	282,323
Financial Liabilities	1,980,637	2,295,439	429,857	841,368	-	-	4	7
Total Expected Outflows	2,207,885	2,371,362	429,857	841,368	190,500	206,400	2,828,24	3,419,13
Financial Assets – Cash flows realisable								
Cash and cash equivalents	614,567	331,674	3,500,00	4,107,41	-	-	4,114,56	4,439,09
Trade, term and loan receivables	19,928	298,584	-	-	-	-	19,928	298,584
Total anticipated inflows	634,495	630,258	3,500,00	4,107,41	-	-	4,134,49	4,737,67
Net (outflow)/inflow on financial instruments	(1,573,390)	(1,741,104)	3,070,14	3,266,05	(190,500)	(206,400)	1,306,25	1,318,54
			3	1			3	7

Credit Risk

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

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

21. FINANCIAL RISK MANAGEMENT (cont.)

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the Board has otherwise cleared as financially sound.

Price Risk

The co-operative is not exposed to any material commodity price risk.

Variability in the underlying market price for fruit is borne ultimately by the members, as CCW acts as an intermediary between growers and end users.

(c) **Net Fair Values**

For assets and liabilities the net fair value approximates their carrying value. Financial assets where the carrying amount exceeds net fair values have not been written down as the Co-operative intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Fair values are materially in line with carrying values.

(d) **Sensitivity Analysis**

Interest Rate Risk

The Co-operative has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest Rate Sensitivity Analysis:

At 31st December 2009, the effect on profit and equity as a result of changes in the interest rate, with all other variables remaining constant, would be as follows:

	2009	2008
	\$	\$
Change in profit		
- Increase in interest rate by 2%	34,080	22,440
- Decrease in interest rate by 2%	(34,080)	(22,440)
Change in Equity		
- Increase in interest rate by 2%	34,080	22,440
- Decrease in interest rate by 2%	(34,080)	(22,440)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

Notes to the Financial Statements - (Cont.)

CCW Co-operative Limited
For the year ended 31st December 2009

22. EVENTS AFTER THE REPORTING PERIOD

During the second half of the year the Board investigated various value adding options for CCW and its members. No formal contracts have been entered into at this time, however investigation of these options has continued after 31 December 2009 and a report on progress will be presented to members at the annual general meeting.

Declaration by Directors

CCW Co-operative Limited

The Directors of the Co-operative declare that:

1. The financial statements and notes, as set out on pages 12 to 38, are in accordance with the *Corporations Act 2001* and:
 - (a) comply with Accounting Standards; and
 - (b) give a true and fair view of the financial position as at 31st December 2009 and of the performance for the year ended on that date of the Co-operative.
2. In the Directors' opinion there are reasonable grounds to believe that the Co-operative will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors dated at Berri, South Australia this 17th day of March 2010.

J CADDY
Director

Independent Audit Report to the Members of CCW Co-operative Limited

Report on the Financial Report

We have audited the accompanying financial report of CCW Co-operative Limited (the Co-operative), which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the directors' declaration.

The Directors' Responsibility for the Financial Report

The directors of the Co-operative are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) the Corporations Act 2001 and the Co-operatives Act 1997. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to International Financial Reporting Standards ("IFRS") ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

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 Co-operative'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 Co-operative's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Audit Report to the Members of CCW Co-operative Limited

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of CCW Co-operative Limited on XX March 2010, would be in the same terms if provided to the directors as at the date of this auditor's report.

Auditor's Opinion

In our opinion:

- i. the financial report of CCW Co-operative Limited is in accordance with the Corporations Act 2001 and Co-operatives Act 1997, including:
 - (a) giving a true and fair view of the Co-operative's financial position as at 31 December 2009 and of their performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
- ii. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

MSI TILLEY
Chartered Accountants

DEAN SPENCER
PARTNER

Dated this 17th day of March 2010, at 253 Sturt St, Adelaide, South Australia 5000.

**Auditor's Independence Declaration Under Section 307C of
the Corporations Act 2001 to the Directors of
CCW Co-operative Limited**

I declare that, to the best of my knowledge and belief, during the year ended 31 December 2009 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MSI TILLEY
Chartered Accountants

Dean Spencer
Partner

Dated at Adelaide this 17th day of March 2010.

2009 Vintage Realisation Account

CCW Co-operative Limited
For the year ended 31st December 2009

	2009 \$	2008 \$
Revenue:		
Members Credits due at 31st December 2008	-	289,195
Sales of grapes	71,879,258	96,050,279
Interest – other	351,835	722,862
Distribution – International Wine Investment Fund	25,221	33,163
Other income	367,852	225,665
Co-operative contribution	-	131,879
	72,624,166	97,453,043
 Expenditure:		
Audit fees	9,500	9,250
Administration costs - General	219,742	269,723
- Viticultural	198,166	189,488
Depreciation	13,389	16,585
Directors' remuneration	74,709	73,956
Grape Payments - current vintage	71,783,748	96,507,392
Interest payable on Shareholder deposits	87,309	236,288
Interest - Bank	62,486	131,161
Management fees	-	19,200
Members Credits due at 31st December 2009	175,117	-
	72,624,166	97,453,043

Notes:

The Vintage Realisation account does not equity account for the investment in Berren Asset Management Limited.

This statement is for reference purposes only and does not form part of the statutory accounts.

Corporate Directory

CCW Co-operative Limited

Board of Directors

J Caddy (Chairman)
P A Hill (Deputy Chairman)
S Albanese
R K Brock
R G Chabrel
Louis Curtis
B J Fletcher

Company Secretary

M A Voigt

Senior Viticulturalist Viticulturalists

A T Weeks
A J Pietsch

Bankers

Commonwealth Bank of Australia
Berri, SA
Rabobank
Berri, SA

Auditors

MSI Tilley
Chartered Accountants
Adelaide, SA

Registered Office and Principal Place of Business

Old Sturt Highway, Glossop, SA
PO Box 238, Berri, SA
Telephone: (08) 8582 0300
Facsimile: (08) 8583 2104