



VIENTO
PROPERTY

ABN 51 095 920 648 AFSL 224663

2010/11

FINANCIAL REPORT
New Enterprise Property Syndicate

ARSN 107 008 739 ABN 81 304 004 917

CORPORATE DIRECTORY

THE MANAGER & ISSUER

Viento Property Limited
ABN 51 095 920 648 AFSL No. 224663

REGISTERED OFFICE & ADMINISTRATION ADDRESS

Level 3, 11 Queens Road Melbourne VIC 3004
Telephone: (03) 9866 7019 Facsimile: (03) 9866 7029
Toll Free: 1300 55 55 05
www.vientogroup.com

COMPLAINTS INFORMATION

Viento Property Limited is committed to fair and prompt dealings with all complaints and welcomes suggestions for service improvement.

Investors in Viento Property Limited products are entitled to make an oral or written complaint. If you wish to make a complaint, please contact:

Complaints Officer
Viento Property Limited
Locked Bag 105 South Melbourne VIC 3205

Hand deliveries to:
Level 3, 11 Queens Road Melbourne VIC 3004
Phone: 1300 55 55 05

If you make a complaint:

- Your complaint will be recorded in the Manager's complaints register and acknowledged in writing;
- Progress in dealing with your complaint will be monitored by the Manager's Complaints Officer;
- The Complaints Officer for Viento Property Limited, must deal with the complaint within 60 days and then notify you in writing of any action taken or proposed to resolve the complaint and of details of the external complaints resolution procedure; and
- If you are not satisfied with the outcome, you may take your complaint to the independent complaints service listed below, without prejudice to other avenues of redress

INDEPENDENT COMPLAINTS RESOLUTION SERVICE

Financial Ombudsman Service
(ABN 64 068 901 904)
GPO Box 3, Melbourne VIC 3001
Telephone: 1300 78 08 08
Facsimile: (03) 9613 6399
E-mail: info@fos.org.au
www.fos.org.au

NEW ENTERPRISE PROPERTY SYNDICATE
ARSN 107 008 739

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REVIEW OF OPERATIONS
FOR THE YEAR ENDED 30 JUNE 2011

The New Enterprise Property Syndicate commenced operations on 3 June 2004 after the acquisition of a modern commercial office building in Artarmon, New South Wales, the Mundaring Village Shopping Centre in Western Australia and the Cove Hill Shopping Centre in Bridgewater, Tasmania.

Mundaring was sold for \$19.42 million on 30th July 2010 and Cove Hill was sold for \$13.2 million on 1st April 2011. Artarmon increased to \$16.65 million due to capital expenditure during the year.

Distributions from the Syndicate were re-opened during the second half of the financial year ending 30 June 2011.

A major tenant commenced occupation of the previously vacant Artarmon building on 1 July 2010. Since that time we have also secured a café operator and the building is now 57% occupied. We continue to source new tenants and the level of enquiry has improved in the latter half of the financial year.

The syndicate is due for expiry in June 2012 and leasing the vacant space at Artarmon is a focus of the Manager.

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RESPONSIBLE ENTITY REPORT FOR THE YEAR ENDED 30 JUNE 2011

Report by Directors of the Responsible Entity

The Directors of Viento Property Limited (ABN 51 095 920 648), the Responsible Entity of the New Enterprise Property Syndicate ("the Syndicate") present their report together with the Financial Report of the Syndicate for the year ended 30 June 2011 and the auditor's report thereon.

Responsible Entity

The responsible entity of the New Enterprise Property Syndicate is Viento Property Limited ("the Responsible Entity"), which has been the responsible entity since registration of the Syndicate on 7 November 2003.

The Directors of Viento Property Limited in office at any time during or since the end of the year are:

R Nichevich
D Wright
K Murphy (resigned 31 August 2010)
S Heffernan

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

The registered office of the Responsible Entity is Level 3, 11 Queens Road, Melbourne, Victoria.

Principal Activities

The Syndicate is a registered managed investment scheme domiciled in Australia.

The Syndicate owns 407 Pacific Highway, Artarmon, NSW, and during the year sold the Mundaring Village Shopping Centre, WA and the Cove Hill Shopping Centre in Bridgewater, TAS. The investors in the Syndicate receive distributions from the income earned from the properties.

The Syndicate has no employees.

Operating Results

The loss from continuing operations of the Syndicate for the year ended 30 June 2011 was \$1,955,684 (2010:\$905,793). This includes revaluations on investment property resulting in a decrease of \$1,048,665 (2010:\$1,418,726).

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RESPONSIBLE ENTITY REPORT (CONTINUED)
FOR THE YEAR ENDED 30 June 2011

Distributions paid or payable in respect of the financial year were:

	2011	Cents per unit	2010	Cents per unit
	\$		\$	
Interim distributions paid	56,776	0.25	-	-
Final distribution payable	56,675	0.25	-	-
	113,451		-	-

Review and Results of Operations

The review of operations for the year ended 30 June 2011 is discussed in the Review of Operations contained on page 2 of this report.

Performance

	2011 %	2010 %
Growth return*	N/A	N/A
Distribution return	0.5%	0%
Total return	0.5%	0%
The relevant benchmark	N/A	N/A

Returns have been calculated after fees and assuming reinvestment of distributions, in accordance with IFSA Standard 6.0 Product Performance – calculation and presentation of returns.

** The Responsible Entity does not quote unit price*

Units on Issue

The movement of the units on issue of the Syndicate for the year was as follows:

	2011	2010
	No. of units	No. of units
Units on issue as at 30 June 2011	22,650,000	22,650,000
	\$	\$
Value of the Syndicate's net assets attributable to unit holders – liability as at 30 June	16,130,101	18,199,236
Net tangible asset backing per unit	0.71	0.80

The basis for the valuation of the Syndicate's assets is disclosed in Note 1 to the financial statements.

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RESPONSIBLE ENTITY REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

Interests of the Responsible Entity and Associates

Interests of the Responsible Entity and its associates have been disclosed in Note 16 to the financial statements.

Fees paid to the Responsible Entity

The following fees were paid or payable to Viento Property Limited (Responsible Entity) and Viento Group Limited (Parent Company) out of Syndicate property during the financial year.

	2011	2010
	\$	\$
Viento Property Limited		
Manager and compliance fees paid or payable	197,928	279,322
Reimbursable expenses paid or payable	20,340	7,547
Project Management Fees	-	41,823
Leasing Fees	-	45,076
	<hr/>	<hr/>
	218,268	373,768
Viento Group Limited & subsidiaries		
Accounting and registry fees	50,400	49,200
Loan arrangement fee – Syndicate extension	-	62,600
Reimbursable expenses - Syndicate extension	-	147,000
	<hr/>	<hr/>
	50,400	258,800
	<hr/> 268,668	<hr/> 632,568

Derivatives and Other Financial Instruments

The Syndicate's investments and trading activities expose it to changes in interest rate variations as well as credit and liquidity risk. Viento Property Limited has approved policies and procedures in each of these areas to manage these exposures.

State of Affairs

The New Enterprise Property Syndicate was created by a deed dated 7 November 2003 ('the Constitution').

The Syndicate was formed to purchase 407 Pacific Highway, Artarmon, NSW, the Mundaring Village Shopping Centre, WA and the Cove Hill Shopping Centre in Bridgewater, TAS. The funding for the Syndicate consisted of 22,650,000 \$1.00 units. The Syndicate commenced operations on 3 June 2004, the day after the properties were purchased.

The Syndicate had total assets with a book value of \$17,624,277 at 30 June 2011 (2010: \$50,000,760). The basis of valuation of the Syndicate's principal asset, investment property is detailed in note 1(a) to the financial statements.

In the opinion of the Responsible Entity, other than the matters stated above there were no significant changes in the state of affairs of the Syndicate that occurred during the financial year under review.

Proceedings on Behalf of a Company

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

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RESPONSIBLE ENTITY REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

Events Subsequent to Balance Date

A Letter of Offer from Commonwealth Bank of Australia Limited to re-finance the syndicate has been accepted by the Responsible Entity. The Bank Bill Facility is for 2 years with a limit of \$2,000,000. Documentation of the loan is currently underway. The current facility with AXA expired on 30th June 2011.

There are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Syndicate, the results of those operations or the state of affairs of the Syndicate in subsequent financial years.

Likely Developments

The Syndicate has been extended by two years and will continue to run and operate the remaining property for the investment term until 4 June 2012 or earlier.

The current loan facility with AXA expired on 30th June 2011. The manager is currently finalising a facility with Commonwealth Bank of Australia to refinance the debt.

The constitution states that the properties will be sold as soon as possible after the 4 June 2012 unless investors agree to a further period of investment.

Environmental Issues

The Syndicate's operations are not regulated by any significant environmental regulation under a law of the Commonwealth, State or Territory legislation.

Indemnities and Insurance Premiums for Officers or Auditor

During or since the end of the financial year no insurance premiums have been paid out of the Syndicate's assets in relation to insurance cover for the Responsible Entity, its officers and employees, the Compliance Committee or auditors of the Syndicate.

Under the Constitution the Responsible Entity, including its directors and officers, is entitled to be indemnified out of the Syndicate's assets for any loss, damage, expense or other liability, incurred by it in properly performing or exercising any of its powers, duties or rights in relation to the Syndicate. This right of indemnity does not apply to the extent any loss, damage or costs are attributable to a breach of trust where the Responsible Entity failed to show the degree of care and diligence required of a trustee.

The Parent of the Responsible Entity has paid premiums in respect of a contract insuring persons who are or have been a director or secretary of the Responsible Entity and includes any other person who is concerned, or takes part, in the management of the Responsible Entity. The liabilities include costs and expenses that may be incurred in defending civil proceedings that may be brought against the officers in their capacity as officers of the Responsible Entity or a related body corporate. The insurance contract prohibits the disclosure of the amount of the premium and the nature of the liability insured.

The Responsible Entity has agreed to indemnify all directors and officers against all liabilities to another person (other than the Responsible Entity or a related body corporate) that may arise from their position, except where the liability arises out of conduct involving a lack of good faith.

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RESPONSIBLE ENTITY REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2011

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2011 has been received and can be found on page 30 of the Financial Report.

Signed in accordance with a resolution of the Board of Directors of Viento Property Limited.



Damian Wright
Director
Viento Property Limited

Dated this 07th day of October 2011
Melbourne, Victoria

NEW ENTERPRISE PROPERTY SYNDICATE
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
<i>Investment Income</i>			
Rental income		2,177,120	4,096,964
Interest		12,817	30,088
Changes in fair value of investment property	4	-	863,398
Profit on disposal of investment properties		<u>128,430</u>	<u>22,138</u>
<i>Total Investment Income</i>		2,318,367	5,012,588
<i>Expenses</i>			
Direct property expenses		(1,648,513)	(1,730,252)
Administration expenses	2	(328,287)	(543,443)
Changes in fair value of investment property	4	(1,048,665)	(2,282,124)
Borrowings costs	2	<u>(1,248,586)</u>	<u>(1,362,562)</u>
<i>Total Expenses</i>		<u>(4,274,051)</u>	<u>(5,918,381)</u>
<i>Profit from Continuing Operations</i>		<u>(1,955,684)</u>	<u>(905,793)</u>
<i>Finance Costs</i>			
Distribution to unit holders	8	(113,451)	-
<i>Total Finance Costs</i>		<u>(113,451)</u>	<u>-</u>
Changes in net assets attributable to unit holders - liability		<u>(2,069,135)</u>	<u>(905,793)</u>
<i>Net Profit</i>		<u>-</u>	<u>-</u>
<i>Other Comprehensive Income</i>		<u>-</u>	<u>-</u>
<i>Changes in Net Assets Attributable to Unit Holders</i>		<u>(2,069,135)</u>	<u>(905,793)</u>

The accompanying notes form part of these financial statements.

NEW ENTERPRISE PROPERTY SYNDICATE
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 \$	2010 \$
<i>Current Assets</i>			
Cash and cash equivalents	11	523,040	221,612
Trade and other receivables	3	451,237	603,228
Investment property	4	<u>16,650,000</u>	<u>18,740,000</u>
<i>Total Current Assets</i>		<u>17,624,277</u>	<u>19,564,840</u>
<i>Non-Current Assets</i>			
Trade and other receivables	3	-	635,920
Investment property	4	<u>-</u>	<u>29,800,000</u>
<i>Total Non-Current Assets</i>		<u>17,624,277</u>	<u>30,435,920</u>
<i>Total Assets</i>		<u>17,624,277</u>	<u>50,000,760</u>
<i>Current Liabilities</i>			
Trade and other payables	5	283,009	490,466
Short-term borrowings	6	<u>1,211,167</u>	<u>31,311,058</u>
<i>Total Current Liabilities</i>		<u>1,494,176</u>	<u>31,801,524</u>
<i>Non-Current Liabilities</i>			
Long-term borrowings		<u>-</u>	<u>-</u>
<i>Total Non-Current Liabilities</i>		<u>-</u>	<u>-</u>
<i>Total Liabilities Excluding Net Assets Attributable to Unit Holders</i>		<u>1,494,176</u>	<u>31,801,524</u>
Net assets attributable to unit holders – liability	8	<u>16,130,101</u>	<u>18,199,236</u>
<i>Net Assets</i>		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS-
LIABILITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<i>Total net assets Attributable to Unit Holders -Liability at the Beginning of the Year</i>		18,199,236	19,105,029
Change in net assets attributable to unit holders - liability		<u>(2,069,135)</u>	<u>(905,793)</u>
<i>Total Net Assets Attributable to Unit Holders - Liability at the End of the Year</i>	8	<u>16,130,101</u>	<u>18,199,236</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$	2010 \$
<i>Cash Flows from Operating Activities</i>			
Rental receipts		2,814,033	4,167,331
Payments to suppliers		(1,962,633)	(2,456,842)
Interest received		12,817	30,088
Borrowings costs		<u>(1,248,526)</u>	<u>(1,362,562)</u>
<i>Net Cash Provided by Operating Activities</i>	11(b)	<u>(384,309)</u>	<u>378,015</u>
<i>Cash Flows from Investing Activities</i>			
Proceeds from sale of investment properties		<u>30,841,275</u>	<u>(758,726)</u>
<i>Net Cash Used in Investing Activities</i>		<u>30,841,275</u>	<u>(758,726)</u>
<i>Cash Flows from Financing Activities</i>			
Proceeds from borrowings		20,686	55,291
Repayment of borrowings		(30,120,575)	(54,989)
Finance costs – distribution to unit holders		<u>(55,649)</u>	<u>-</u>
<i>Net Cash Used in Financing Activities</i>		<u>(30,155,538)</u>	<u>302</u>
Net (decrease)/increase in cash and cash equivalents		301,428	(380,409)
Cash and cash equivalents at the beginning of the year		<u>221,612</u>	<u>602,021</u>
<i>Cash and Cash Equivalents at the End of the Year</i>	11(a)	<u><u>523,040</u></u>	<u><u>221,612</u></u>

The accompanying notes form part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1. Statement of Significant Accounting Policies

The Syndicate is a registered Managed Investment Scheme under the Corporations Act 2001. The Financial Report of the Syndicate is for the year ended 30 June 2011. The Financial Report was authorised for issue by the Directors of the Responsible Entity on 07th October 2011.

The syndicate is due to mature in June 2012 and as such all assets and liabilities are classified as current in the financial statements. The directors have prepared the Financial Report on a going concern basis however; it is their intention to sell the remaining property, Artarmon. The Syndicate will continue as a going concern up until the point that the property settles

Basis of Preparation

The New Enterprise Property Syndicate is a registered managed investment scheme established and domiciled in Australia.

The Financial Report is a general purpose financial report prepared in accordance with Accounting Standards, Australian Accounting Interpretations and 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 a financial report 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 this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Statement of Compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising of the financial statements and notes thereto, complies with International Financial Reporting Standards.

Accounting Policies

The following is a summary of the significant accounting policies adopted by the Syndicate in the preparation of the Financial Report.

(a) Investment Property

Investment property comprises investment interests in land and buildings held for the purpose of letting to produce long term rental income. Investment properties are initially recorded at cost plus acquisition costs. Subsequent to initial recognition the investment properties are carried at fair value. Gains or losses arising from changes in fair values of investment properties are included in the Statement of Comprehensive Income in the period in which they arise.

At each reporting date the fair value of the investment properties are assessed by the directors of the Responsible Entity by reference to independent valuation or through appropriate valuation techniques adopted by the Responsible Entity. Fair value is determined using a long term investment period.

An independent valuation is carried out on each property at least every two years. Refer to Note 4 Investment Property for further details on fair value determination. Investment property is not depreciated.

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1. Statement of Significant Accounting Policies (cont.)

(a) Investment Property (cont.)

The global market for many types of real estate has been severely affected by the recent volatility in global financial markets. The lower levels of liquidity and volatility in the banking sector have translated into a general weakening of market sentiment towards real estate and the number of real estate transactions has significantly reduced.

Fair value of investment property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A "willing seller" is neither a forced seller nor one prepared to sell at a price not considered reasonable in the current market. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition. The current lack of comparable market evidence relating to pricing assumptions and market drivers means that there is less certainty in regards to valuations and the assumptions applied to valuation inputs. The period of time needed to negotiate a sale in this environment may also be significantly prolonged.

The fair value of investment property has been adjusted to reflect market conditions at the end of the reporting period as the best estimates.

(b) Revenue and Expenses

Revenue

Lease income from operating leases, where substantially all the risks and benefits remain with the lessor, are recognised on a straight line basis over the term of the lease. Lease income includes gross rental revenue and recoverable outgoings.

Interest income is recognised in the Statement of Comprehensive Income using the effective interest rate method.

Other income is recognised on an accruals basis, which is when the Syndicate becomes entitled to receive it.

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

Expenses

Expenses are brought to account on an accrual basis.

Borrowing Costs

Borrowing costs include interest and bank charges, which are expensed as incurred, and impairment of borrowing costs.

Loan establishment costs are initially capitalised by being offset against the loan amount and then impaired over the life of the loan or five years, whichever is the lesser.

(c) 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 Taxation Office ('ATO'). 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 are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities, which are recoverable from, or payable to, the ATO are classified as operating cash flows.

1. Statement of Significant Accounting Policies (cont.)

(d) Financial Instruments

Financial instruments are initially measured at cost on transaction date, which includes transactions costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

Financial Liabilities and Equity

Financial liabilities and equity instruments issued by the Syndicate are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Issued Units

As the Syndicate has a fixed termination date a contractual obligation exists for the Syndicate to deliver cash or another financial asset to the unit holders. AASB 132: Financial Instruments: Presentation therefore requires the issued units and retained profits to be classified as a financial liability, titled net assets attributable to unit holders. Accordingly, the Syndicate has no equity and the distributions paid and payable to unit holders are classified as finance cost in the Statement of Comprehensive Income, while distributions payable are classified as a payable in the Statement of Financial Position.

Bank Borrowings

Interest-bearing bank loans and overdrafts are recognised at fair value, net of transaction costs.

(e) Impairment of Assets

At each reporting date, the Responsible Entity reviews the carrying values of its assets to determine whether there is an indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the carrying value over its recoverable amount is expensed to the Statement of Comprehensive Income.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(g) Finance Costs

Finance costs – distribution to unit holders, represents amounts distributed to unit holders based upon their unitholding during the financial year and are recognised when a distribution is declared by the Syndicate.

Finance costs (excluding distributions to unit holders), are recognised using the effective interest rate applicable to the respective financial liability.

(h) Distributions and Taxation

Under current income tax legislation the Syndicate is not subject to income tax as its taxable income (including assessable realised capital gains) is distributed in full to the unit holders.

The Syndicate fully distributes its taxable income in accordance with the Syndicate constitution and applicable taxation legislation, to the unit holders who are presently entitled to the income under the constitution. Realised capital losses are not distributed to unit holders but are retained in the Syndicate to be offset against any future realised capital gains.

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1. Statement of Significant Accounting Policies (cont.)

(i) Transfers to/from Unit Holders' Funds

Non-distributable income, which may comprise unrealised changes in the fair value of financial assets, net capital losses, tax-deferred income, accrued income not yet assessable and non-deductible expenses are transferred to unit holders' funds.

These items are transferred from the unit holders' funds to be included in the determination of distributable income in the period for which

(j) Management Expenses

The Responsible Entity is entitled to management fees incurred in the administration of the Syndicate. The annual management fee is 0.45% per annum of the gross assets of the Syndicate and 2.5% of the net income, and is payable quarterly in arrears.

The Responsible Entity may defer up to 45% of the annual fee, if needed, to support income returns to the investors.

(k) Accounting Estimates and Judgments

Critical accounting estimates and judgments

The Directors of the Responsible Entity evaluate estimates and judgments incorporated in the financial report based on the historical knowledge and adjusted for current market conditions and other factors.

The Entity makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year are discussed below:

Estimate of the fair value of investment properties

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the Entity determines the amount within a range of reasonable fair value estimates.

In making its judgment the Entity considers information from a variety of sources including:

1. Current prices in an active market for properties of different nature, condition or location (or subject to different leases or other contracts), adjusted to reflect those differences;
2. Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
3. Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of the any existing leases and other contracts and (where possible) external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The current economic climate and lower transactional volumes in the real estate market has meant that valuers have referred to a greater professional judgment in arriving at the year end valuations.

(l) Comparative Figures

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2011

	2011	2010
	\$	\$
2. Investment Expenses		
Administration Expenses		
Custodian fees	20,000	20,000
Managers fees	169,908	399,122
Compliance fees	28,020	27,200
Other administration expenses	110,359	97,121
Total Administration Expenses	<u>328,287</u>	<u>543,443</u>
Borrowing Costs		
Interest expenses	1,248,586	1,362,562
Impairment of loan establishment costs	-	0
Total Borrowing Costs	<u>1,248,586</u>	<u>1,362,562</u>
3. Trade and Other Receivables		
Current		
Rental debtors	13,139	50,302
Prepayments	41,797	57,419
Accrued income	-	100,105
Other	19,858	277,270
Capitalised lease fees and incentives	360,112	96,040
GST payable	16,331	11,753
Security Deposits	-	10,339
	<u>451,237</u>	<u>603,228</u>
Non-Current		
Capitalised lease fees and incentives	-	635,920
	<u>451,237</u>	<u>635,920</u>
Past due but not impaired		
As of 30 June 2011 the Syndicate had past due but not impaired trade receivables. These relate to a number of customers for whom there is no recent history of default. The aging analysis of these trade receivables is as follows:		
Up to 3 months	6,862	50,236
>3 to 6 months	6,277	66
	<u>13,139</u>	<u>50,302</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

4. Investment Property

	2011	2010
	\$	\$
Opening Balance	48,540,000	49,200,000
Purchases	-	-
Disposals(i)	(31,737,914)	-
Capital Expenditure	896,579	758,726
Fair value adjustments	(1,048,665)	(1,418,726)
Closing Balance	16,650,000	48,540,000

- (i) Mundaring was sold at a profit of \$350,519 and Covehill was sold at a loss of \$222,089 after selling costs.

	2011	2010	Source of valuation	External Valuation \$	Date of External Valuation	Capitalisation Rate	
	\$	\$				2011	2010
						%	
407 Pacific Highway, Artarmon, NSW	16,650,000*	16,600,000	Internal	16,650,000	Aug 11	9.50%	8.75%
Mundaring Village Shopping Centre, WA	-	18,740,000	Internal	20,000,000	Jan 10	-	8.25%
Cove Hill Shopping Centre, Bridgewater TAS	-	13,200,000	Internal	13,200,000	Jan 10	-	8.75%
	16,650,000	48,540,000		49,000,000		9.50%	8.52%

* In August 2011, 407 Pacific Highway was externally re-valued at \$16.65 million by Jones Lang LaSalle. This valuation was adopted as internal valuation as at 30 June 2011 and is representative of the fair value at that time.

Valuation basis

Our properties are periodically valued by an external independent valuation company. The fair values for these properties are based on market value, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Principal assumption of management's estimation of fair value

Investment properties which were not subject to valuation by external valuers have been valued by in-house asset managers, and these valuations were reviewed and approved by directors. If information on current or recent prices is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The entity uses assumptions that are mainly based on market conditions existing at each Statement of Financial Position date.

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction.

The principal assumptions underlying management's estimation of fair value are those related to: The receipt of contracted sales, expected future market rentals, maintenance requirements, anticipated vacancy rates and appropriate discount and capitalization rates. The valuations are regularly compared to actual market yield date, actual transactions by the entity and those reported by the market. The expected future market rentals are determined with reference to current market rentals for similar properties in the same location and condition.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
5. Trade and Other Payables		
Current		
Accounts payable	113,812	308,753
Other creditors and accruals	110,003	161,334
Unearned income	-	8,648
Distributions payable	59,194	-
Security deposits	-	10,339
GST payable	-	-
	<u>283,009</u>	<u>490,466</u>
 6. Interest Bearing Liabilities		
Current		
<i>Short-term borrowings</i>		
Unsecured loans - other (i)	4,137	11,058
Secured loan (ii)	1,207,030	31,300,000
	<u>1,211,167</u>	<u>31,311,058</u>
Non-Current		
<i>Long-term borrowings</i>		
Secured loan (ii)	-	-
Less: borrowings costs	-	-
Bank loan	<u>-</u>	<u>-</u>

- (i) The loan is through AON Funding Solutions which finances the payment of the Syndicate's insurance premiums to enable it to pay the premium monthly. The rate of 4.69% (2010: 5.39%) was fixed at the inception of the facility.
- (ii) The investment properties have been used as security for a loan provided by National Mutual Funds Management Ltd (AXA). The proceeds of the loan were used to help fund the acquisition of the investment properties on behalf of the Syndicate. The loan expired on 30 June 2011 and is paying interest at 8.05% inclusive of facility margin. A Letter of Offer from Commonwealth Bank of Australia to re-finance the loan has been accepted by the Responsible Entity. The Bank Bill Facility is for 2 years with a limit of \$2,000,000. Final documentation of the Commonwealth Bank of Australia loan is currently underway.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

7. Loan Facility Covenants

	Required Covenants	Actual
LVR external values (i)	Max 65.0%	7.25%
LVR internal values (ii)	Max 65.0%	7.25%
Interest cover ratio	Min 1.20	2.67

- (i) External value of the property is the market value of the property as assessed by the valuer in a sworn valuation under instructions of the Financier and confirmed as acceptable by the Financier.
- (ii) Internal value of the property is the market value of the property as assessed by the directors of Viento Property Limited.

$$\text{LVR} = \frac{\text{Loan}}{\text{Property market value}}$$

$$\text{Interest cover ratio} = \frac{\text{Net Rental Income}}{\text{Interest expense}}$$

8. Unit Holders' Funds

Movements in unit holders' funds during the year were as follows:

	2011	2010
	\$	\$
Opening balance	18,199,236	19,105,029
Profit from continuing operations	(1,955,684)	(905,793)
Distributions	(113,451)	-
Closing balance	16,130,101	18,199,236

There were no movements in units on issue in the Syndicate.

	2011	2010
	No. of units	No. of units
22,650,000 units issued on 2 June 2004 at \$1.00 each	22,650,000	22,650,000

All units in the Syndicate are of the same class and carry equal rights. Each unit confers upon the holder of that unit an undivided interest in the assets of the Syndicate in the proportion that the unit bears to the total number of units on issue. A unit does not entitle the holder to any particular asset or any particular part of the assets of the Syndicate.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2011**

9. Distributions

	2011		2010	
	\$	Cents per unit	\$	Cents per unit
Interim distributions paid:				
September	-	-	-	-
December	-	-	-	-
March	56,776	0.25	-	-
Final distribution payable	56,675	0.25	-	-
	<u>113,451</u>	<u>0.50</u>	<u>-</u>	<u>-</u>

10. Commitments and Contingent Liabilities

There are no outstanding commitments or contingent liabilities as at 30 June 2011.

11. Notes to the Statement of Cash Flows

a) Cash at Bank

Cash at the end of the financial year as shown in the statement of cash flows is comprised of:

	2011 \$	2010 \$
Cash on hand	<u>523,040</u>	<u>221,612</u>
	<u>523,040</u>	<u>221,612</u>

b) Reconciliation of Net Profit to Net Cash Flows from Operations

Profit from continuing operations	(1,955,684)	(905,793)
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Non-Cash Flows in Profit from Continuing Operations

Amortisation expense	-	-
Impairment of Lease incentives	1,046,729	105,277
Changes in Fair Value of Investment Property	1,048,665	1,418,726

Changes in Assets and Liabilities:

(Increase)/Decrease in receivables	294,212	(300,966)
(Increase)/Decrease in prepaid expenses	15,623	(4,633)
(Increase) in other assets	(564,016)	(15,937)
Increase / (Decrease) in trade creditors	(194,941)	214,446
Decrease in other creditors and accruals	(74,897)	(133,105)

Cash Flows from Operations

	<u>(384,309)</u>	<u>378,015</u>
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c) Loan Facilities

Loan facilities	1,207,030	31,300,000
Amount utilised	(1,207,030)	(31,300,000)

Unused Loan Facilities

	<u>-</u>	<u>-</u>
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Refer to Note 7 for further details on the loan facilities.

NEW ENTERPRISE PROPERTY SYNDICATE

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2011**

12. Financial Instruments and Risks Management

Financial instruments of the Syndicate comprise of investments in financial assets for the purpose of generating a return on the investment made by the unit holders, in addition to cash and cash equivalents, net assets attributed to unit holders, and other financial instruments such as trade debtors and creditors, which arrive directly from operations. The Syndicate's investments are classified at fair value through profit and loss.

The Syndicate is exposed to interest rate risk, credit risk and liquidity risk arising from financial instruments it holds. The Syndicate's overall risks management program seeks to minimize potential adverse effect on the distributable earnings of the Syndicate and are managed through a process of ongoing identification, measurement and monitoring. The Syndicate uses derivatives financial instruments to hedge interest risk exposure.

The risk management policies adopted by the Syndicate to manage these risks are discussed as follows:

a) Interest Rate Risk

The Syndicate's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

2011	Weighted Average Effective Interest Rate %pa	Floating	Fixed interest maturing in or re-priced at			Non- Interest Bearing \$	Total \$
		Interest Rate \$	Within Year \$	1 to 5 Years \$	Over 5 Years \$		
Financial Assets:							
Cash	4.5%	523,040	-	-	-	-	523,040
Receivables		-	-	-	-	461,238	461,238
		<u>523,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>461,238</u>	<u>984,278</u>
Financial Liabilities:							
Payables		-	-	-	-	(287,146)	(287,146)
Short term borrowings	4.69%	-	(4,137)	-	-	-	(4,137)
Long term borrowings	8.05%	-	(1,207,030)	-	-	-	(1,207,030)
		<u>-</u>	<u>(1,211,167)</u>	<u>-</u>	<u>-</u>	<u>(287,146)</u>	<u>(1,498,313)</u>
Net financial assets/(liabilities)		<u>523,040</u>	<u>(1,211,167)</u>	<u>-</u>	<u>-</u>	<u>174,092</u>	<u>(514,035)</u>

NEW ENTERPRISE PROPERTY SYNDICATE
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2011

12. Financial Instruments and Risks Management (cont)

a) Interest Rate Risk (cont)

2010	Weighted Average Effective Interest Rate %pa	Floating Interest Rate \$	Fixed interest maturing in or re-priced at			Non- Interest Bearing \$	Total \$
			Within Year \$	1 to 5 Years \$	Over 5 Years \$		
Financial Assets:							
Cash	4.50%	221,612	-	-	-	-	221,612
Receivables		-	-	-	-	1,227,396	1,227,396
		221,612	-	-	-	1,227,396	1,449,008
Financial Liabilities:							
Payables	-	-	-	-	-	(490,466)	(490,466)
Short term borrowings	5.39%	-	(11,058)	-	-	-	(11,058)
Long term borrowings	7.90%	-	(31,300,000)	-	-	-	(31,300,000)
		-	(31,311,058)	-	-	(490,466)	(31,801,524)
Net financial assets/(liabilities)		221,612	(31,311,058)	-	-	736,930	(30,352,516)

b) Credit Risk

Credit risk arises from the potential failure of counterparties to meet their obligations under the financial contracts. The Syndicate is exposed to credit risks on its cash balance, receivables and financial assets.

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

Concentrations of credit risk are minimised primarily by:

- Ensuring counterparties, together with the respective credit limits, are approved, and
- Ensuring review on prospective tenants, and
- Ensuring that transactions are undertaken with a large number of counterparties in different locations.
- Cash and cash equivalents are held with high credit quality financial institutions.

As such, the Syndicate does not have a concentration of credit risk that arises from an exposure to a single counterparty. Furthermore, the Syndicate does not have a material exposure to a group of counterparties, which are expected to be affected similarly by changes in economic or other conditions.

c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities. The instruments entered into by the Syndicate were selected to ensure sufficient funds would be available to meet the ongoing cash requirement of the Syndicate.

The manager is considering its refinancing options as the Syndicate's loan matures on 30 June 2011. The new tenant at Artarmon and the low LVR will assist in negotiations with new financiers. The manager anticipates that in the event that re-financing is not obtained that the loan will be extended by its current financier for 3 to 6 months.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

12. Financial Instruments and Risks Management (cont)

d) Trade and other payable are expected to be paid as follows:

	2011	2010
	\$	\$
Less than 6 months	283,009	1,188,213
6 months to 1 year	-	-
1 year to 5 years	-	-
Over 5 years	-	-
	<u>283,009</u>	<u>1,188,213</u>

13. Capital Management

The directors control the capital of the Syndicate in order to maintain a good debt-to-equity ratio and to ensure that the Syndicate can fund its operations and continue as a going concern.

The Syndicate's debt and capital includes financial liabilities, supported by financial assets.

The bank requires the Syndicate to maintain a loan to security value ratio of 65%.

The directors manage the Syndicate's capital by assessing the Syndicate's financial risks and adjusting its capital structure in response to changes in these risks and in the market. This includes the management of debt levels.

There have been no changes in the strategy adopted by management to control the capital of the Syndicate since the prior year. The strategy is to maintain the Syndicate's gearing ratio between 30-70%.

The gearing ratios for the year ended 30 June 2011 and 30 June 2010 are as follows:

	Notes	2011	2010
		\$	\$
Total borrowings	6	1,207,030	31,300,000
Less cash and cash equivalents	12(a)	<u>(523,040)</u>	<u>(221,612)</u>
Net Debt		683,990	31,078,388
Net assets attributable to unit holders	8	<u>16,180,101</u>	<u>18,199,236</u>
Total capital		<u>16,864,091</u>	<u>49,277,624</u>
Gearing ratio		4%	63%

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NOTES TO THE FINANCIAL STATEMENTS
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14. Operating Leases

Minimum future lease payments receivable under non-cancellable leases are as follows:

	Within Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
2011				
407 Pacific Highway, Artarmon NSW	851,101	4,612,118	3,051,756	8,514,974
	<u>851,101</u>	<u>4,612,118</u>	<u>3,051,756</u>	<u>8,514,974</u>
2010				
407 Pacific Highway, Artarmon NSW	802,040	4,010,200	3,210,357	8,022,597
Mundaring Village Shopping Centre, WA	162,198	-	-	162,198
Cove Hill Shopping Centre, Bridgewater TAS	1,592,716	7,595,088	5,744,196	14,932,000
	<u>2,556,954</u>	<u>11,605,288</u>	<u>8,954,553</u>	<u>23,116,795</u>

Leases are negotiated on a tenant by tenant basis reflective of commercial terms and prevailing market conditions at the time of the negotiations. The Responsible Entity utilises a standard lease document and follows a prescribed process in relation to the preparation and execution of same.

15. Auditor's Remuneration

	2011 \$	2010 \$
<i>Remuneration of the auditor of the Syndicate for:</i>		
- Audit and review of the financial reports	15,725	14,550
- Compliance plan audit	4,200	4,100
	<u>19,925</u>	<u>18,650</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

16. Related Party Disclosures

The Responsible Entity of the New Enterprise Property Syndicate is Viento Property Limited (ABN 51 095 920 648). Viento Property Limited is a wholly owned subsidiary of Viento Group Limited (ABN 79 000 714 054), an Australian public company listed on the Australian Stock Exchange (Code: VIE).

a) Remuneration of Directors and Key Management Personnel

The Syndicate does not employ personnel in its own right. However, it is required to have an incorporated Responsible Entity to manage the activities of the Syndicate. The directors and executives of the Responsible Entity are the Key Management Personnel ('KMP').

The Directors and Executives of the Responsible Entity are KMP of that entity and their names are:

R Nichevich	Executive Director
D Wright	Executive Director
S Heffernan	Executive Director

The Responsible Entity is entitled to a management fee which is calculated as a proportion of gross asset value and a proportion of net profit.

No compensation is paid directly by the Syndicate to directors or to any of the KMPs of the Responsible Entity.

Since the end of the financial year, no Director or KMP of the Responsible Entity has received or become entitled to any benefit because of a contract made by the Responsible Entity with a Director or KMP, or with a firm of which the Director or KMP is a member, or with an Entity in which the Director or KMP has a substantial interest.

Loans to Directors and Key Management Personnel of the Responsible Entity

The Syndicate has not made, guaranteed or secured, directly or indirectly, any loans to the Directors and KMP or their personally-related entities at any time during the reporting period.

Other Transactions with Directors and Key Management Personnel of the Responsible Entity

From time to time Directors and KMP or their personally-related entities, may buy or sell units in the Syndicate. These transactions are subject to the same terms and conditions as those entered into by other Syndicate investors.

Apart from those details disclosed in this note, no Director or KMP has entered into a contract for services with the Responsible Entity since the end of the previous financial year and there were no contracts involving Directors or KMP subsisting at year end.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

16. Related Party Disclosures (cont)

b) Responsible Entity's Fees and Other Transactions

	2011	2010
	\$	\$
Viento Property Limited		
Manager and compliance fees paid or payable	197,928	279,322
Reimbursable expenses paid or payable	20,340	7,547
Project Management Fees	-	41,823
Leasing Fees	-	45,076
	218,268	373,768
Viento Group Limited & subsidiaries		
Accounting and registry fees	50,725	49,200
Loan arrangement fee – Syndicate extension	-	62,600
Reimbursable expenses - Syndicate extension	-	147,000
	50,725	258,800
	268,993	632,568
Total related party payable balance outstanding at year end	2,507	310,982

c) Related Party Transactions

All transactions with related parties are conducted on normal commercial terms and conditions.

Units in the Syndicate held by Related Parties

Details of Related Parties holdings in the Syndicate are set out below. No other related parties held units in the Syndicate during the year.

30 June 2011

Entity	Relationship	Unit holding \$	Interest held %	Units issued	Units redeemed	Distribution paid / payable \$
Mr R C Nichevich	Director of Responsible Entity	50,000	0.22	-	-	-
		50,000		-	-	-

30 June 2011

Entity	Relationship	Unit holding \$	Interest held %	Units issued	Units redeemed	Distribution paid / payable \$
Mr R C Nichevich	Director of Responsible Entity	50,000	0.22	-	-	-
		50,000		-	-	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

17. ACCOUNTING STANDARDS

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 Syndicate has decided not to early adopt. A discussion of those future requirements and their impact on the Syndicate is as follows:

AASB 9: Financial Instruments (December 2010) (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Syndicate has not yet determined any potential impact on the financial statements.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010–2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements. The following entities are required to apply Tier 1 reporting requirements (i.e. full IFRS):

- for-profit private sector entities that have public accountability; and
- the Australian Government and state, territory and local governments.

Since the Syndicate is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

AASB 2009–12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The amendments are not expected to impact the Syndicate.

AASB 2010–5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

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NOTES TO THE FINANCIAL STATEMENTS
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New Accounting Standards for Application in Future Periods (contd)

AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Syndicate has not yet determined any potential impact on the financial statements from adopting AASB 9

18. Subsequent Events

A Letter of Offer from Commonwealth Bank of Australia Limited to re-finance the syndicate has been accepted by the Responsible Entity. The Bank Bill Facility is for 2 years with a limit of \$2,000,000. Documentation of the loan is currently underway. The current facility with AXA expired on 30th June 2011.

There are no other matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of the Syndicate, the results of those operations or the state of affairs of the Syndicate in subsequent financial years.

NEW ENTERPRISE PROPERTY SYNDICATE
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DIRECTORS' DECLARATION

NEW ENTERPRISE PROPERTY SYNDICATE

The directors of Viento Property Limited, the Responsible Entity of the New Enterprise Property Syndicate, declare that:

1. The financial statements and notes, as set out on pages 8 to 28 are in accordance with the *Corporations Act 2001*, and:
 - (a) comply with Australian Accounting Standards and the *Corporations Act 2001*; and
 - (b) give a true and fair view of the Syndicate's financial position as at 30 June 2011 and of its performance for the period ended on that date.
 - (c) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

2. In the directors' opinion there are reasonable grounds to believe that the Syndicate will be able to pay its debts as and when they become due and payable.

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



Damian Wright
Director
Viento Property Limited

Dated this 07th day of October 2011
Melbourne, Victoria



AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of New Enterprise Property Syndicate for the year ended 30 June 2011, 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.

A handwritten signature in black ink that reads "Crowe Horwath Perth".

CROWE HORWATH PERTH

A handwritten signature in black ink that reads "Sean McGurk".

SEAN MCGURK
Partner

Signed at Perth, 7 October 2011

INDEPENDENT AUDIT REPORT TO THE UNIT HOLDERS OF NEW ENTERPRISE PROPERTY SYNDICATE

We have audited the accompanying financial report of New Enterprise Property Syndicate (the Syndicate), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of cash flows and the statement of changes in net assets attributable to unitholders for the year then ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Responsible Entity for the Fund.

Directors' Responsibility for the Financial Report

The directors of the Responsible Entity, Viento Property Limited, are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply 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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



Opinion

In our opinion:

- (a) the financial report of the New Enterprise Property Syndicate is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the syndicate's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

A handwritten signature in black ink that reads "Crowe Horwath Perth".

CROWE HORWATH PERTH

A handwritten signature in black ink that reads "Sean McGurk".

SEAN MCGURK
Partner

Signed at Perth, 7 October 2011

VIENTO

PROPERTY

ABN 51 095 920 648 AFSL 224663

CONTACT

Tel (AUS)	1300 555 505
Fax	+ 61 3 9866 7029
E-mail	info@vientogroup.com
Web	www.vientogroup.com
Post	Locked Bag 105 South Melbourne VIC 3205
Deliveries	Level 3, 11 Queens Road Melbourne VIC 3004