



VIENTO  
PROPERTY

ABN 51 095 920 648 AFSL 224663

2010/11

FINANCIAL REPORT  
Première Property Syndicate

ARSN 102 949 486 ABN 66 318 409 636

# 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](http://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](mailto:info@fos.org.au)  
[www.fos.org.au](http://www.fos.org.au)

**PREMIÈRE PROPERTY SYNDICATE  
ARSN 102 949 486**

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**PREMIÈRE PROPERTY SYNDICATE  
ARSN 102 949 486**

**REVIEW OF OPERATIONS  
FOR THE YEAR ENDED 30 JUNE 2011**

The Première Property Syndicate commenced on 22nd May 2003 after the acquisition of the Millennium Cinema Complex in Fremantle, Western Australia and the Rockingham Cinema Complex in Rockingham, Western Australia. As a result of the unit holder meeting held on 15 May 2009, the term of this syndicate was extended by two years to 22 May 2011.

The total distribution for the year ending 30 June 2011 was 2.75 cents per unit.

Millennium was last valued in February 2009, at \$13.4 million. As this property is due for disposal the Responsible Entity has not had it revalued to avoid any unnecessary cost.

On 24 May 2010 Hoyts at Rockingham gave 12 months notice to vacate under the terms of its lease. On 30 September 2010 a subsequent independent valuation was completed taking into account the impact of this notice to vacate with the result that the property had decreased in value by \$1.5 million to \$3.6 million. This revised valuation was adopted as at 30 June 2010.

In January of 2011 Rockingham Cinema Complex was sold for \$3.2 million and Millennium Cinema Complex is currently for sale but no offers have as yet been received for this property.

Whilst the syndicate term was due to expire in May 2011 we delayed offering the property for sale. The tenant, Hoyts expressed interest in expanding the number of cinemas at the Centre, as well as applying for a liquor license. The Responsible Entity considered it in the best interests of unit holders to allow these changes at the Centre to be considered prior to any sale. Our objective is to maximise the income and sale price of the property and return the proceeds of the syndicate to unit holders.

As the Rockingham Cinema Complex was sold for below book value in the current year, a loss on sale of approximately \$455k has been recognised.

**PREMIÈRE PROPERTY SYNDICATE  
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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 Première 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 Première Property Syndicate is Viento Property Limited (“the Responsible Entity”), which has been the responsible entity since registration of the Syndicate on 5 December 2002.

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 the Millennium Cinema Complex in Fremantle, Western Australia and during the year sold the Rockingham Cinema Complex in Rockingham, Western Australia. 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 \$82,159 (2010 loss \$1,021,773). This includes loss on sale of investment property of \$466,087 (2010 decrease in valuation \$1,507,318).

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

	<b>2011</b>		<b>2010</b>	
	<b>\$</b>	<b>Cents per unit</b>	<b>\$</b>	<b>Cents per unit</b>
Interim distributions paid	126,875	1.25	379,179	3.75
Final distribution payable	152,250	1.50	128,321	1.25
	<u>279,125</u>	2.75	<u>507,500</u>	5.00

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**RESPONSIBLE ENTITY REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**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**

	<b>2011</b> %	<b>2010</b> %
Growth return	N/A*	N/A*
Distribution return	2.77	5.09
Total return	2.77	5.09
The relevant benchmark	N/A	N/A

\* *The Responsible Entity does not quote unit price*

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.

**Units on Issue**

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

	<b>2011</b> <b>No. of units</b>	<b>2010</b> <b>No. of units</b>
Units on issue as at 30 June	10,150,000	10,150,000
	<b>\$</b>	<b>\$</b>
Value of the Syndicate's net assets attributable to unit holders – liability as at 30 June	6,139,641	6,221,800
Value of the Syndicate's net tangible assets*	6,139,641	6,221,800
Net tangible asset backing per unit	0.60	0.61

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

**Interests of the Responsible Entity and Associates**

Interests of the Responsible Entity and its associates have been disclosed in Note 17 to the financial statements.

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**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.

	<b>2011</b>	<b>2010</b>
	\$	\$
<b>Viento Property Limited</b>		
Manager's and compliance fees paid or payable	123,121	164,411
Reimbursable expenses paid or payable	8,568	14,122
	131,689	178,533
<b>Viento Property Services Pty Ltd</b>		
Property Management Fees	4,294	4,068
<b>Viento Group Limited</b>		
Accounting and registry fees	31,790	30,800
	167,773	213,401

As stated in the Explanatory Memorandum distributed to unit holders prior to the unit holder meeting held 15 May 2009, deferred management fees of \$248,073 will be paid to Viento from the sale of syndicate properties, provided a minimum IRR of 5% per annum is achieved.

**Derivatives and Other Financial Instruments**

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

**PREMIÈRE PROPERTY SYNDICATE**  
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**RESPONSIBLE ENTITY REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2011**

**State of Affairs**

The Première Property Syndicate was created by a deed dated 25 November 2002 (as amended 11 February 2003) ('the Constitution').

The Syndicate was formed to purchase the Millennium Cinema Complex in Fremantle, WA and the Rockingham Cinema Complex in Rockingham, WA. The funding for the Syndicate consisted of 10,150,000 \$1.00 units. The Syndicate commenced operations on 22 May 2003, the day after the properties were purchased.

The Syndicate had total assets with a book value of \$13,814,151 at 30 June 2011 (2010: \$17,758,363). The basis of valuation of the Syndicate's principal asset, investment property is detailed in note 1 (a) to the financial statements.

The Syndicate has a loan of \$7.27 million from the National Australia Bank Ltd. The interest only, non-recourse commercial bank bill matures on 31 December 2011. The loan is secured by a first registered mortgage over the investment property. The loan is variable at 8.1% including the facility fee of 2.25%.

The last remaining property Fremantle Cinema Complex is held for sale.

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.

**Events Subsequent to Balance Date**

On 7 September 2011 the Millennium Cinema Complex in Fremantle, Western Australia was advertised for sale via an Expressions of Interest campaign. The appointed agents are Savills in conjunction with CNI Corporate.

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 Constitution states that the property will be sold as soon as possible after 31 May 2011.

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**FOR THE YEAR ENDED 30 JUNE 2011**

**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.

**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 07<sup>th</sup> day of October 2011  
Melbourne, Victoria

**PREMIÈRE PROPERTY SYNDICATE  
ARSN 102 949 486**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b><i>Investment Income</i></b>			
Rental income		2,216,923	2,292,020
Other income	2	-	1,000,000
Interest		<u>33,280</u>	<u>14,202</u>
<b><i>Total Investment Income</i></b>		<b>2,250,203</b>	<b>3,306,222</b>
<b><i>Expenses</i></b>			
Direct property expenses		(662,468)	(612,597)
Administration expenses	2	(218,801)	(237,550)
Loss on sale of Investment Property	4	(454,587)	-
Changes in fair value of investment property	4	(11,500)	(1,507,318)
Borrowings costs	2	(705,881)	(800,800)
Impairment of straight line rental asset		<u>-</u>	<u>(1,169,730)</u>
<b><i>Total Expenses</i></b>		<b><u>(2,053,237)</u></b>	<b><u>(4,327,995)</u></b>
<b><i>Profit/(Loss) from Continuing Operations</i></b>		<b><u>196,966</u></b>	<b><u>(1,021,773)</u></b>
<b><i>Finance Costs</i></b>			
Distribution to unit holders	10	(279,125)	(507,500)
<b><i>Total Finance Costs</i></b>		<b><u>(279,125)</u></b>	<b><u>(507,500)</u></b>
Changes in net assets attributable to unit holders - liability		<u>(82,159)</u>	<u>(1,529,273)</u>
<b><i>Net Profit</i></b>		<b><u>-</u></b>	<b><u>-</u></b>
<b><i>Other Comprehensive Income</i></b>		<b><u>-</u></b>	<b><u>-</u></b>
<b><i>Changes in Net Assets Attributable to Unit Holders</i></b>		<b><u>(82,159)</u></b>	<b><u>(1,529,273)</u></b>

The accompanying notes form part of these financial statements.

**PREMIÈRE PROPERTY SYNDICATE**  
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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b><i>Current Assets</i></b>			
Cash and cash equivalents	12(a)	180,006	617,172
Trade and other receivables	3	234,145	141,191
Investment property	4	<u>13,400,000</u>	<u>17,000,000</u>
<b><i>Total Current Assets</i></b>		<b><u>13,814,151</u></b>	<b><u>17,758,363</u></b>
<b><i>Non-Current Assets</i></b>			
<b><i>Total Non-Current Assets</i></b>		<u>-</u>	<u>-</u>
<b><i>Total Assets</i></b>		<b><u>13,814,151</u></b>	<b><u>17,758,363</u></b>
<b><i>Current Liabilities</i></b>			
Trade and other payables	5	398,510	424,383
Short-term borrowings	6	<u>7,276,000</u>	<u>11,112,180</u>
<b><i>Total Current Liabilities</i></b>		<b><u>7,674,510</u></b>	<b><u>11,536,563</u></b>
<b><i>Non-Current Liabilities</i></b>			
<b><i>Total Non-current Liabilities</i></b>		<u>-</u>	<u>-</u>
<b><i>Total Liabilities Excluding Net Assets Attributable to Unit Holders</i></b>		<b><u>7,674,510</u></b>	<b><u>11,536,563</u></b>
Net assets attributable to unit holders – liability	8	<u>6,139,641</u>	<u>6,221,800</u>
<b><i>Net Assets</i></b>		<b><u><u>-</u></u></b>	<b><u><u>-</u></u></b>

The accompanying notes form part of these financial statements.

**PREMIÈRE PROPERTY SYNDICATE  
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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 \$
<b><i>Total Net Assets Attributable to Unit holders - Liability at the Beginning of the Year</i></b>		<b>6,221,800</b>	<b>7,751,073</b>
Change in net assets attributable to unit holders - liability		<u>(82,159)</u>	<u>(1,529,273)</u>
<b><i>Total Net Assets Attributable to Unit Holders - Liability at the End of the Year</i></b>	8	<b><u>6,139,641</u></b>	<b><u>6,221,800</u></b>

The accompanying notes form part of these financial statements.

**PREMIÈRE PROPERTY SYNDICATE  
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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 \$	2010 \$
<b><i>Cash Flows from Operating Activities</i></b>			
Rental receipts		2,377,860	2,801,881
Settlement received	2	-	1,000,000
Payments to suppliers		(1,165,129)	(1,181,614)
Interest received		33,280	14,202
Borrowings costs		<u>(689,407)</u>	<u>(767,709)</u>
<b><i>Net Cash Provided by Operating Activities</i></b>	12(b)	<b><u>556,604</u></b>	<b><u>1,866,760</u></b>
<b><i>Cash Flows from Investing Activities</i></b>			
Net proceeds from sale of investment property		3,131,053	-
Payment of capitalised expenses for investment properties		<u>-</u>	<u>(7,318)</u>
<b><i>Net Cash used in Investing Activities</i></b>		<b><u>3,131,053</u></b>	<b><u>(7,318)</u></b>
<b><i>Cash Flows from Financing Activities</i></b>			
Finance costs – distribution to unit holders		(254,823)	(507,500)
Repayment of bank loan		<u>(3,870,000)</u>	<u>(854,000)</u>
<b><i>Net Cash used in Financing Activities</i></b>		<b><u>(4,124,823)</u></b>	<b><u>(1,361,500)</u></b>
Net (decrease)/increase in cash and cash equivalents		(437,166)	497,942
Cash and cash equivalents at the beginning of the year		<u>617,172</u>	<u>119,230</u>
<b><i>Cash and Cash Equivalents at the End of the Year</i></b>	12(a)	<b><u>180,006</u></b>	<b><u>617,172</u></b>

**PREMIÈRE PROPERTY SYNDICATE  
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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 07<sup>th</sup> October 2011.

The syndicate matured during the 2011 financial period 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, Millennium Cinema Complex. The Syndicate will continue as a going concern up until the point that the property settles

**Basis of Preparation**

The Première 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. 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.

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

**1. Statement of Significant Accounting Policies (cont.)**

**(a) Investment Property (cont.)**

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. This represents the best estimates of fair value as at the Statement of Financial Position date.

**(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 expensed 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.

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

**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 a 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) 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.

**(f) 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.

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

**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 they are assessable for taxation purposes.

**(j) Management Expenses**

The Responsible Entity is entitled to management fees incurred in the administration of the Syndicate. The annual management fee is 0.5% per annum of the gross assets of the Syndicate and 2.5% of the net income, and is payable quarterly in arrears.

**(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 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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	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>2. Other Income and Investment Expenses</b>		
<b>Other Income</b>		
Other income*	-	1,000,000
<b>Administration Expenses</b>		
Custodian fees	9,000	9,000
Managers fees	141,213	144,727
Compliance fees	13,698	13,600
Other administration expenses	54,890	70,223
	<u>218,801</u>	<u>237,550</u>
<b>Borrowing Costs</b>		
Other persons	672,061	763,904
Impairment of loan establishment costs	33,820	36,896
	<u>705,881</u>	<u>800,800</u>
* Full settlement of P&R Thompson Holdings legal action.		
<b>3. Trade and Other Receivables</b>		
<b>Current</b>		
Rental debtors	27,253	41,581
Prepayments	33,295	48,505
Accrued income	47,904	-
Capitalised lease fees and incentives	2,366	25,530
Security deposits	123,327	25,575
	<u>234,145</u>	<u>141,191</u>
<b>Past due but not impaired</b>		
As of 30 June 2011 the fund 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	24,169	32,848
3 to 6 months	3,084	8,733
	<u>27,253</u>	<u>41,581</u>

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**4. Investment Property**

	2011 \$	2010 \$
Opening Balance	17,000,000	18,500,000
Purchases	-	-
Disposals*	(3,600,000)	-
Capex	11,500	7,318
Fair value adjustments	<u>(11,500)</u>	<u>(1,507,318)</u>
Closing Balance	<u>13,400,000</u>	<u>17,000,000</u>

\*Rockingham was sold at a loss of \$454,587 after selling costs.

	2011 \$	2010 \$	Source of Valuation	Last External Valuation \$	Date of External Valuation	2011 Capitalisation Rate %	2010 Capitalisation Rate %
Millennium Cinema Complex, Fremantle WA	13,400,000	13,400,000	Viento Property	13,400,000	Feb 09	8.25%	8.25%
Rockingham Cinema Complex, Rockingham WA	-	3,600,000	Viento Property	5,100,000	Feb 09	-	9.50%
	<u>13,400,000</u>	<u>17,000,000</u>		<u>18,500,000</u>		<u>8.59%</u>	

Rockingham Cinema Complex was sold during the year for \$3,200,000 resulting in a loss on sale. The properties were last valued prior to year end by an external independent valuation company in February 2009 by Savills (WA) Pty Ltd. An independent valuation was not performed in accordance with Accounting Policy Note 1(a) to these accounts. Whilst the Millennium property is due for disposal the Responsible Entity has decided not to revalue the property to avoid unnecessary costs to the syndicate.

**Valuation basis:**

Our properties are periodically valued by external independent valuation companies. 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 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 capitalisation rates. The valuations are regularly compared to actual market data, actual transactions by the entity and those reported by the market. The expected future market rentals are determined with reference to actual lease transactions by the entity, current market rentals for similar properties in the same location and condition.

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	2011	2010
	\$	\$
<b>5. Trade and Other Payables</b>		
<b>Current</b>		
Accounts payable	14,266	63,174
Other creditors and accruals	114,612	131,911
Unearned income	66,737	66,737
Distributions payable	153,696	128,321
Security deposits	9,533	-
GST payable	39,666	34,240
	398,510	424,383
<b>6. Interest Bearing Liabilities</b>		
<b>Current</b>		
<i>Short-term borrowings</i>		
Secured loan (i)	7,276,000	11,146,000
Less: borrowings costs	-	(33,820)
	7,276,000	11,112,180

(i) The investment properties have been used as security for a loan provided by the National Australia Bank, renegotiated in May 2009 on extension of the Syndicate term. The proceeds of the loan were used by the Syndicate in the acquisition of the investment properties on behalf of the Syndicate. The interest only, non-recourse bill facility agreement matures on 31 December 2011. The bank loan interest rates are variable with a facility fee of 2.25% p.a. Repayments are due half yearly at \$93,740.

(iii) The loan is due to expire at 31 December 2011 and is therefore classified as current.

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**7. Loan Facility Covenants**

	<b>Required Covenants</b>	<b>Actual</b>
LVR external values (i)	Max 60.0%	54.30%
LVR internal values (ii)	Max 60.0%	54.30%
Interest cover ratio (iii)	Min 1.50	1.69

(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.

$$\text{LVR} = \frac{\text{Loan}}{\text{Property valuation}} \times 100$$

$$\text{(iii) Interest cover ratio} = \frac{\text{Rental income}}{\text{Interest expense}}$$

**8. Unit Holders' Funds**

<i>Movements in unit holders' funds during the year were as follows:</i>	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Opening balance	6,221,800	7,751,073
Profit/(Loss) from continuing operations	196,966	(1,021,773)
Distributions	<u>(279,125)</u>	<u>(507,500)</u>
<b>Closing Balance</b>	<b><u>6,139,641</u></b>	<b><u>6,221,800</u></b>

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

	<b>2011</b>	<b>2010</b>
	<b>No. of units</b>	<b>No. of units</b>
10,150,000 units issued on 21 May 2003 at \$1.00 each	<u>10,150,000</u>	<u>10,150,000</u>

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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**10. Distributions**

	2011		2010	
	\$	Cents per unit	\$	Cents per unit
Interim distributions paid:	125,429	1.25	-	-
Final distribution payable	153,696	1.50	507,500	5.00
	<u>279,125</u>	<u>2.75</u>	<u>507,500</u>	<u>5.00</u>

**11. Commitments and Contingent Liabilities**

As stated in the Explanatory Memorandum distributed to unit holders prior to the unit holder meeting held on 15 May 2009, deferred management fees (\$248,073) will be paid to Viento from the sale of Syndicate properties, provided a minimum IRR of 5% per annum is achieved.

**12. 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>180,006</u>	<u>617,172</u>

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

Profit/(Loss) from continuing operations	196,966	(1,021,773)
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***Non-cash flows in profit from ordinary activities***

Impairment of Borrowing costs	36,895	36,895
Impairment of Lease Fees	23,163	1,183,105
Straight lining rental income	-	(5,247)
Changes in Fair Value of Investment Property	493,664	1,507,318

***Changes in assets and liabilities:***

(Increase)/Decrease in receivables	(64,888)	(11,832)
Decrease in prepaid expenses	15,210	6,603
(Increase)/Decrease in other assets	(94,230)	21,604
(Decrease)/increase in trade creditors	(48,908)	10,014
Increase/(Decrease) in other creditors and accruals	(1,268)	140,073

<b><i>Cash flows from operations</i></b>	<u>556,604</u>	<u>1,866,760</u>
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**c) Loan Facilities**

Loan facilities	7,276,000	11,146,000
Amount utilised	(7,276,000)	(11,146,000)

<b>Unused Loan Facilities</b>	<u>-</u>	<u>-</u>
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Refer to Note 6 and 7 for further details on the loan facilities.

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**13. 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 derivatives, 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 as 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 overall risks management program seek to minimize potential adverse effect on the distributable earnings of the fund 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 Interest Rate \$	Fixed interest maturing in or re-priced at			Non- Interest Bearing \$	Total \$
			Within Year \$	1 to 5 Years \$	Over 5 Years \$		
<b>Financial Assets:</b>							
Cash	4.65%	180,006	-	-	-	-	180,006
Receivables		-	-	-	-	234,145	234,145
		<u>180,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>234,145</u>	<u>414,151</u>
<b>Financial Liabilities:</b>							
Payables		-	-	-	-	(398,510)	(398,510)
Short term borrowings	8.1%	-	(7,276,000)	-	-	-	(7,276,000)
		<u>-</u>	<u>(7,276,000)</u>	<u>-</u>	<u>-</u>	<u>(398,510)</u>	<u>(7,674,510)</u>
Net financial assets/(liabilities)		<u>180,006</u>	<u>(7,276,000)</u>	<u>-</u>	<u>-</u>	<u>(164,365)</u>	<u>(7,260,359)</u>
<b>2010</b>							
<b>Financial Assets:</b>							
Cash	4.5%	617,172	-	-	-	-	617,172
Receivables		-	-	-	-	141,191	141,191
		<u>617,172</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>141,191</u>	<u>758,363</u>
<b>Financial Liabilities:</b>							
Payables		-	-	-	-	(424,383)	(424,383)
Short term borrowings	6.75%	-	(11,146,000)	-	-	-	(11,146,000)
		<u>-</u>	<u>(11,146,000)</u>	<u>-</u>	<u>-</u>	<u>(424,383)</u>	<u>(11,570,383)</u>
Net financial assets/(liabilities)		<u>617,172</u>	<u>(11,146,000)</u>	<u>-</u>	<u>-</u>	<u>(283,192)</u>	<u>10,812,020</u>

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**13. Financial Instruments (cont.)**

**b) Sensitivity Analysis:**

The syndicate 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 these risks.

Interest Rate Sensitivity Analysis:

At 30 June 2011, 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:

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
Change in profit		
- Increase in interest rate by 2%	(252,692)	(210,577)
- Decrease in interest rate by 2%	252,692	210,577
Change in Equity		
- Increase in interest rate by 2	(252,692)	(210,577)
- Decrease in interest rate by 2%	252,692	210,577

**c) Credit Risk**

Credit risk arises from the potential failure of counterparties to meet their obligations under the financial contracts. The fund 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.

The Syndicate does have a concentration of credit risk that arises from an exposure to a single counterparty, Hoyts Multiplex Cinemas. Hoyts is considered a low risk tenant.

**d) 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.

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

	2011	2010
	\$	\$
Less than 6 months	398,510	424,383
6 months to 1 year	-	-
1 year to 5 years	-	-
Over 5 years	-	-
	<u>398,510</u>	<u>424,383</u>

**14. Capital Management**

The directors control the capital of the Syndicate 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 60%.

The directors manage the Syndicate's capital by assessing its 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	7,276,000	11,112,180
Less cash and cash equivalents	12(a)	<u>(180,006)</u>	<u>(617,172)</u>
Net Debt		7,095,994	10,495,008
Net assets attributable to unit holders	8	<u>6,139,641</u>	<u>6,221,800</u>
Total capital		<u>13,235,635</u>	<u>16,716,808</u>
Gearing ratio		54%	63%

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**15. Operating Leases**

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

	Within Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
<b>2011</b>				
Millennium Cinema Complex, Fremantle WA	1,766,185	8,648,403	3,819,843	14,234,431
<b>2010</b>				
Millennium Cinema Complex, Fremantle WA	1,312,343	6,592,070	4,553,009	12,457,422
Rockingham Cinema Complex, Rockingham WA	598,859	-	-	598,859
	1,911,202	6,592,070	4,553,009	13,056,281

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 as a basis of negotiations and follows a prescribed process in relation to the preparation and execution of same.

As the Syndicate is due to expire within the next financial period it is anticipated that these amounts will not become due and payable.

**16. Auditor's Remuneration**

	2011 \$	2010 \$
<i>Remuneration of the auditor of the Syndicate for:</i>		
- Audit and review of the financial reports	15,000	15,150
- Compliance plan audit	5,000	4,100
	<u>20,000</u>	<u>19,250</u>

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**17. Related Party Disclosures**

The Responsible Entity of the Première 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, the Syndicate is required to have an incorporated Responsible Entity to manage its activities. 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 (appointed 18/12/08)	Executive Director
D Wright (appointed 24/04/09)	Executive Director
K Murphy (appointed 3/06/09, resigned 31/08/10)	Executive Director
S Heffernan (appointed 27/08/09)	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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**17. Related Party Disclosures (cont)**

**b) Responsible Entity's Fees and Other Transactions**

	<b>2011</b>	<b>2010</b>
	<b>\$</b>	<b>\$</b>
<b>Viento Property Limited</b>		
Manager's and compliance fees paid or payable	123,121	164,411
Reimbursable expenses paid or payable	8,568	14,122
	<hr/> 131,689	<hr/> 178,533
<b>Viento Property Services Pty Ltd</b>		
Property Management Fees	4,294	4,068
<b>Viento Group Limited</b>		
Accounting and registry fees	31,790	30,800
	<hr/> 167,773	<hr/> 213,401
	<hr/>	<hr/>
Total related party payable balance outstanding at year end	<hr/> <hr/> 30,744	<hr/> <hr/> 75,203

**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***

No related parties held units in the Syndicate during the period.

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**18. 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 (ie 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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**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

**19. Subsequent Events**

On 7 September 2011 the Millennium Cinema Complex in Fremantle, Western Australia was advertised for sale via an Expressions of Interest campaign. The appointed agents are Savills in conjunction with CNI Corporate.

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.

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**DIRECTORS' DECLARATION**

**PREMIÈRE PROPERTY SYNDICATE**

The directors of Viento Property Limited, the Responsible Entity of the Première 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 Regulations 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 07<sup>th</sup> 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 Premiere 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, appearing to read "Sean McGurk".

CROWE HORWATH PERTH

A handwritten signature in black ink, appearing to read "Sean McGurk".

SEAN MCGURK  
Partner

Signed at Perth, 7 October 2011



## **INDEPENDENT AUDIT REPORT TO THE UNIT HOLDERS OF PREMIERE PROPERTY SYNDICATE**

We have audited the accompanying financial report of Premiere 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 Premiere 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

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PROPERTY

ABN 51 095 920 648 AFSL 224663

## CONTACT

Tel (AUS)	1300 555 505
Fax	+ 61 3 9866 7029
E-mail	<a href="mailto:info@vientogroup.com">info@vientogroup.com</a>
Web	<a href="http://www.vientogroup.com">www.vientogroup.com</a>
Post	Locked Bag 105 South Melbourne VIC 3205
Deliveries	Level 3, 11 Queens Road Melbourne VIC 3004