

VIENTO KANGAROO ISLAND PLANTATIONS 2002

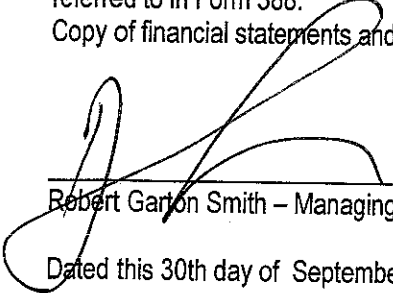
ARSN 095 697 591

FINANCIAL REPORT

For the year ended 30 June 2009

**Responsible entity: Primary Securities Ltd
ABN 96 089 812 635
AFSL 224107**

This is Annexure A of 19 pages
referred to in Form 388:
Copy of financial statements and reports



Robert Garton Smith – Managing Director

Dated this 30th day of September 2009

VIENTO KANGAROO ISLAND PLANTATIONS 2002
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**VIENTO KANGAROO ISLAND PLANTATIONS 2002
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DIRECTORS' REPORT

The Directors of the Responsible Entity, Primary Securities Limited, present their report for the year ended 30 June 2009

Directors' Particulars

The names of the Directors of the Responsible Entity in office during the financial period and until the date of this report are:

Anne Thome
Robert Garton Smith
Brian Millmore
Anthony Treadgold

Directors' Interests

At the date of this report the Directors did not have any direct interest in the Scheme or any interest in any contracts of the Scheme nor did they hold any right or options in the Scheme's assets unless otherwise stated.

Principal Activities

The principal activity of the Scheme, since commencement, was the establishment and management of a Tasmanian blue gum plantation on Kangaroo Island off the coast of South Australia.

Operating Result

The operating profit of the Viento Kangaroo Island Plantation 2002 for the financial period was \$Nil (2008:\$Nil).

Distribution of Income

Distribution of income for the year ended 30 June 2009 is \$Nil (2008: \$Nil)

Review of Operations

As at 30 June 2009, the total number of Woodlots allotted under the Scheme was 374.

Environmental Regulation

The operations of the Scheme are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Scheme.

Significant Changes in State of Affairs

No significant changes in the Scheme's state of affairs occurred during the period.

**VIENTO KANGAROO ISLAND PLANTATIONS 2002
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DIRECTORS' REPORT (Cont.)

After Balance Date Events

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Scheme, the results of those operations, or the state of affairs of the Scheme in subsequent financial years.

Future Developments

As noted in the prospectus issued by the Responsible Entity, for the Scheme to provide any future return, it is essential that a deep water wharf and ship loading facility, which will enable woodchips to be transported from the island to markets is re-established or constructed. The Manager is monitoring developments on Kangaroo Island in relation to these matters.

Indemnifying Officer or Auditor

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

Proceeding on Behalf of the Scheme

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

The Scheme has not been a party to any such proceedings during the year.

Scheme Information

No fees were paid to the Responsible Entity and its associates during the financial year other than management fees.

No interests in the Scheme were held by the Responsible Entity or its associates at the end of the period.

There were no withdrawals from the Scheme during the period.

The value of the Scheme assets at the end of the period was \$Nil.

The number of interests in the Scheme at the end of the financial period was 374.

VIENTO KANGAROO ISLAND PLANTATIONS 2002
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DIRECTORS' REPORT (Cont.)

Auditors Independence Declaration

Our auditor, RSM Bird Cameron Partners, has provided the Directors of the Responsible Entity with an independence declaration in accordance with section 307C of the Corporations Act 2001. The independence declaration is included within the financial statements.

Signed in accordance with a resolution of the Board of Directors of Primary Securities Ltd.



.....
ROBERT GARTON SMITH
Managing Director

Dated this 30th day of September 2009

RSM Bird Cameron Partners

Chartered Accountants

8 St Georges Terrace Perth WA 6000
GPO Box R1253 Perth WA 6844
T +61 8 9261 9100 F +61 8 9261 9101
www.rsmi.com.au

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

VIENTO KANGAROO ISLAND PLANTATIONS 2002

We have audited the accompanying financial report of Viento Kangaroo Island Plantations 2002 ("the scheme"), which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

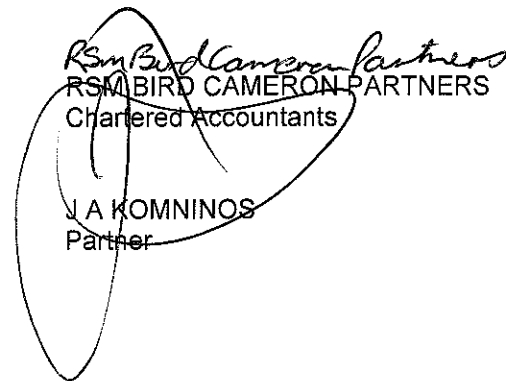
In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's Opinion

In our opinion:

- (a) the financial report of Viento Kangaroo Island Plantations 2002 is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the scheme's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1 to the financial statements.

Perth, WA
Dated: 30 September 2009


RSM BIRD CAMERON PARTNERS
Chartered Accountants
J A KOMNINOS
Partner

DIRECTORS' DECLARATION

The Directors of the Responsible Entity declare that:

1. The financial statements and notes to the financial statements as set out on pages 7 to 16:
 - (a) comply with Accounting Standards and the Corporations Act 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2009 and performance for the year ended 30 June 2009 of the Scheme;
2. In the Directors' opinion there are reasonable grounds to believe that the Scheme 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 Primary Securities Limited.



ROBERT GARTON SMITH
Managing Director

Dated this 30th day of September 2009

VIENTO KANGAROO ISLAND PLANTATIONS 2002
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INCOME STATEMENT
For the year ended 30 June 2009

	2009	2008
	\$	\$
Revenue from Ordinary Activities		
Interest	-	-
Less:		
Bank charges	-	-
	<hr/>	<hr/>
Profit from Ordinary Activities	-	-
Distributed to Growers	-	-
	<hr/>	<hr/>
Total changes in Scheme Property	-	-

The accompanying notes form part of these financial statements

VIENTO KANGAROO ISLAND PLANTATIONS 2002
ARSN 095 697 591

BALANCE SHEET
As at 30 June 2009

	2009	2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	-	-
Trade and other receivables	-	-
	<hr/>	<hr/>
TOTAL CURRENT ASSETS	-	-
	<hr/>	<hr/>
TOTAL ASSETS	-	-
	<hr/>	<hr/>
CURRENT LIABILITES		
Trade and other payables	-	-
	<hr/>	<hr/>
TOTAL CURRENT LIABILITIES	-	-
	<hr/>	<hr/>
NON CURRENT LIABILITES		
Trade and other payables	-	-
	<hr/>	<hr/>
TOTAL NON CURRENT LIABILITIES	-	-
	<hr/>	<hr/>
TOTAL LIABILITIES	-	-
	<hr/>	<hr/>
NET VALUE OF SCHEME PROPERTY	-	-
	<hr/>	<hr/>

The accompanying notes form part of these financial statements

**VIENTO KANGAROO ISLAND PLANTATIONS 2002
ARSN 095 697 591**

**STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2009**

	Value of scheme property \$
Balance at 1 July 2004	-
Total changes in scheme property	-
Balance at 30 June 2005	-
Balance at 1 July 2005	-
Total changes in scheme property	-
Balance at 30 June 2006	-
Balance at 1 July 2006	-
Total changes in scheme property	-
Balance at 30 June 2007	-
Balance at 1 July 2007	-
Total changes in scheme property	-
Balance at 30 June 2008	-
Balance at 1 July 2008	-
Total changes in scheme property	-
Balance at 30 June 2009	-

The accompanying notes form part of these financial statements

VIENTO KANGAROO ISLAND PLANTATIONS 2002
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CASH FLOW STATEMENT
For the year ended 30 June 2009

	2009	2008
	\$	\$
Cash Flows from Operating Activities		
Funds received from Manager	-	-
Net cash provided (used) by Operating Activities	-	-
Net increase/ (decrease) in cash held	-	-
Cash at beginning of year	-	-
CASH AT END OF YEAR	-	-

The accompanying notes form part of these financial statements

VIENTO KANGAROO ISLAND PLANTATIONS 2002
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 THE SCHEME

Viento Kangaroo Island Plantations 2002, formerly known as WRF Kangaroo Island Plantations 2002, (the "Combined Scheme") was established pursuant to the terms of a Constitution made on 22 January 2001 and registered with ASIC on 6 February 2001. The name of the scheme was changed to Viento Kangaroo Island Plantations 2002 with effect from 24 December 2007. The Combined Scheme also integrated the WRF Kangaroo Island Plantations Scheme ("First Scheme") by including the Growers under the First Scheme as a different class of Growers under the Combined Scheme.

The combining of the two Schemes was agreed at a meeting of Growers of the Combined Scheme (2002 Growers) and a separate meeting of Growers of the First Scheme both held on 16 December 2002 (2000 Growers). The two meetings resolved to merge Schemes with the result that the 2000 Growers became Growers under the WRF Kangaroo Island Plantations 2002 Scheme (subsequently renamed Viento Kangaroo Island Plantations 2002). Another resolution approved the change of the Manager to WRF Forestry Ltd (subsequently renamed Viento Forestry Ltd).

The principal result of the merger was that the fees payable by 2000 Growers and 2002 Growers did not change, but both sets of Growers now share all proceeds and the 2000 Growers are now under the Constitution of the Viento Kangaroo Island Plantations 2002 Scheme.

Subject to the provisions of the Constitution for early termination of the Scheme, the Scheme will terminate upon the earlier of the final distribution of receipts to Growers following the sale of timber or the termination of the lease for 2000 Growers between 2000 Growers and the landowner and the lease and sub-lease for 2002 Growers between the 2002 Growers and the landowner. The lease term for 2000 Growers expires on 30 June 2012. The lease and sub-lease terms for 2002 Growers expires on 30 June 2013. The leases and sub-leases for both 2000 and 2002 Growers were varied in 2004 (with the approval of the current land owner) to include an option to extend the leases and subleases for a period of either 3 years or 4 years respectively, so that all leases and sub-leases, if the options are exercised, will now expire on 30 June 2016.

Primary Securities Ltd is the Responsible Entity of the Scheme. Viento Forestry Ltd is the Manager of the Scheme. Great Southern Property Managers Ltd (Receivers Appointed) is the Landowner of the Scheme.

The terms and conditions of the project operations agreement govern the relationship between the Responsible Entity and the Growers in relation to tree farming. The tree farming obligations of the Responsible Entity are contracted to the Manager under the management agreement.

The terms and conditions of the lease for 2000 Growers and of the lease and sub-lease for 2002 Growers govern the relationship between the Responsible Entity, the landowner and the Growers.

The project operations agreement for 2000 Growers and the project operations agreement for 2002 Growers provide that, on payment of the appropriate fees and charges by the Grower, the Responsible Entity will carry out or cause to be carried out such services and duties in relation to the woodlots as are set out in the management plan and which are usual or necessary for carrying on the business of tree farming.

The lease and sub-lease provides that, on payment of the rent by the Grower, the landowner allows the Grower to use the woodlots for carrying on the business of tree farming.

VIENTO KANGAROO ISLAND PLANTATIONS 2002
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

1 THE SCHEME (Cont.)

When Growers paid their application money prior to allotment of their Woodlots, the application money included prepayment of management fees and rent for a ten-year period. These prepaid fees are held in trust by the Responsible Entity.

The Scheme will conclude upon harvest of the trees and sale of timber. The harvest of all timber will occur between eight and twelve years from planting. Should the Scheme continue for years eleven or twelve, the Responsible Entity and Great Southern Plantations Ltd reserve the right, in accordance with the terms of the project operations agreement and the lease for 2000 Growers or the lease and sub-lease for 2002 Growers, to charge additional rent and management fees for those additional years. Under the terms of the project operations agreement, the Responsible Entity is also entitled to a harvest fee and co-ordination fee equivalent to five percent of the net sale proceeds from timber sales, which fee is to be passed on to the Manager.

2 STATEMENT OF ACCOUNTING POLICIES

Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report is for the entity Viento Kangaroo Island Plantations 2002 as an individual entity. Viento Kangaroo Island Plantations 2002 is a Managed Investment Scheme domiciled in Australia.

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. 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 and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals 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.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated:

VIENTO KANGAROO ISLAND PLANTATIONS 2002
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

2 STATEMENT OF ACCOUNTING POLICIES (Cont.)

Accounting Policies

(a) Income Tax

Provision for income tax is not required as no taxable income was derived during the financial year.

(b) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

(c) Cash and cash equivalents

For the purpose of the statement of cash flows, cash includes cash at call, deposits with banks and investments in money market instruments maturing within less than two months, net of bank overdrafts.

(d) Goods and Services Tax (GST)

Amounts recognised as receivables and payables at balance date include the amount of GST receivable and payable.

3 RESPONSIBLE ENTITY

Primary Securities Ltd is the Responsible Entity for the Scheme and represents the interests of Growers.

4 CUSTODIAN

The Custodian for prepaid management fees and rent of the Scheme is Plan B Trustees Limited.

VIENTO KANGAROO ISLAND PLANTATIONS 2002
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NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

5 APPLICATION MONIES AND MANAGEMENT FEES

This financial report records the assets, liabilities, revenues and expenses of the Scheme. Application monies are paid to the Custodian on behalf of the Responsible Entity which is in turn held on trust on behalf of individual applicants to the Scheme.

No application monies were received during the period. Rent and management fees were received during the period. As rent and management fees are immediately payable to the Landowner or to the Manager, this money does not at any stage become property of the Scheme. Any management fees received by the Responsible Entity are then immediately payable to the Manager (less money owing by the Manager to the Responsible Entity. Accordingly, this money is not recorded in the Scheme's financial report).

Management fees due to the Responsible Entity not recorded in the Scheme's financial statements are set out below.

	2009	2008
	\$	\$
CURRENT ASSETS		
Cash and cash equivalents		
Management fees	116,419	178,282
Trade and other receivables		
Amounts receivable from Growers		
TOTAL CURRENT ASSETS	<u> </u>	<u> </u>
TOTAL ASSETS	<u>116,419</u>	<u>178,282</u>
CURRENT LIABILITES		
Trade and other payables		
Amount payable to Manager and Landowner	78,695	76,402
	<u>78,695</u>	<u>76,402</u>
TOTAL CURRENT LIABILITES	<u> </u>	<u> </u>
NON CURRENT LIABILITES		
Trade and other payables		
Amount payable to Manager and Landowner	37,724	101,880
TOTAL NON CURRENT LIABILITES	<u>37,724</u>	<u>101,880</u>
TOTAL LIABILITES	<u>116,419</u>	<u>178,282</u>
	116,419	178,282
NET ASSETS	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009

6 FINANCIAL INSTRUMENTS

a) Interest Rate Risk Exposure

The Scheme is not exposed to interest rate risk as there are no Scheme assets. The investors monies are held on deposit at commercial fixed term interest and subject and subject to changes of interest rates by RBA.

b) Net Fair Values

The aggregate net fair value of financial assets and financial liabilities approximate the carrying amount of the financial assets and liabilities as indicated in the Statement of Financial Position.

c) Credit Risk Exposures

The Scheme's exposure to credit risk at 30 June 2009 in relation to each class of recognised asset is the carrying amount of those assets indicated in the Statement of Financial Position.

7 RELATED PARTY TRANSACTIONS

There were no related party transactions during the financial year.

8 SEGMENT INFORMATION AND INDUSTRY INVESTMENT EXPOSURES

The Scheme operates in one business segment, being investment management. The Scheme also operates from one geographic location being Australia, from where its investing activities are managed.

9 REMUNERATION AND RETIREMENT BENEFITS TO DIRECTORS

a) Remuneration of Directors

The Directors of the Responsible Entity did not receive any remuneration directly from the Scheme during the year ended 30 June 2009.

b) Retirement Benefits

The Directors of the Responsible Entity did not receive any retirement benefits directly from the Scheme during the year ended 30 June 2009.

**VIENTO KANGAROO ISLAND PLANTATIONS 2002
ARSN 095 697 591**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 30 June 2009**

10 EVENTS SUBSEQUENT TO REPORTING DATE

Since 30 June 2009 no event has arisen that would be likely to materially affect the operations of the Scheme or the state of affairs of the Scheme not otherwise disclosed in the Scheme's financial report.

11 CONTINGENT LIABILITY

There has been no change in contingent liabilities since the last annual reporting date.

12 SCHEME DETAILS

The registered office and principal place of business of the Scheme is:

13 Nairn Street
FREMANTLE WA 6160

