

FIRST ENTERPRISE PROPERTY SYNDICATE

**ARSN 100 371 248
ABN 17 454 196 353**

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

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REVIEW OF OPERATIONS

The First Enterprise Property Syndicate commenced on the 16th of August 2002 after the acquisition of three properties – Summerhill Village Shopping Centre in Reservoir Victoria, Oxley Mall Shopping Centre in Bowral NSW and City Centre Campbelltown in NSW. The distribution for the year ending 30 June 2007 was 10.25 cents per unit.

In June 2007, the three assets in the syndicate were re-valued with Oxley Mall increasing in value to \$17.2m, City Centre Campbelltown increasing in value to \$12.2m, and Summerhill Village increasing in value to \$16.9m which represents an increase of 25.82% of the property values from August 2002.

This excellent result has been achieved due to strong market conditions and positive rental growth.

Syndicate highlights for the year are as follows;

- Strong growth in the value of the properties
- Income distribution returns above 10.00% per annum
- Low vacancy rate underpinning the strong performance of the Syndicate
- Major refurbishment to Coles at Oxley Mall (Bowral NSW) re affirming their commitment to the Centre

The Syndicate is due to expire on 23 August 2008 and therefore our focus will be to maximize the capital growth and returns to unit holders for the remainder of the Syndicate term.

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DIRECTORS' REPORT

Report by Directors of the Responsible Entity

The Directors of WRF Property Limited (ABN 51 095 920 648), the Responsible Entity of the First Enterprise Property Syndicate ("the Syndicate") present their report together with the Financial Report of the Syndicate for the year ended 30 June 2007 and the auditor's report thereon.

Responsible Entity

The responsible entity of the First Enterprise Property Syndicate is WRF Property Limited ("the Responsible Entity"), which has been the responsible entity since registration of the Syndicate on 2 May 2002.

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

Name and Qualifications	Age	Experience and Special responsibilities
<p>R C Nichevich</p> <p>FCA, FAICD</p> <p>Director since 15 February 2001.</p>	59	<p>Extensive experience in management and chartered accounting.</p> <p>He is also Executive Chairman of the parent company, WRF Securities Ltd.</p>
<p>S A Barrett</p> <p>MBA, Assoc Dip Bus Mgt, DFS(FP), RE Agts Rep, MAICD</p> <p>Director since 4 September 2003.</p>	38	<p>Has 15 years experience in the Investment and Finance industries. She is Head of Marketing and Distribution for the WRF Securities Ltd group of companies.</p>
<p>A Micelotta</p> <p>Appointed as a Director on 26 June 2006.</p>	42	<p>Is a licenced real estate agent with over 15 years experience in the commercial real estate industry. He is Head of Property for the WRF Securities Ltd group of companies.</p>
<p>O S Lennie</p> <p>MUP, BA, Dip Fin Mgt, Grad Dip App Fin & Inv, FCPA, FAPI, FRAPI, FAICD, ASIA</p> <p>Resigned as Director 31 December 2006.</p>	62	<p>Has been involved in property asset management and investment evaluation for over 20 years.</p>

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DIRECTORS' REPORT (cont.)

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 Ground Level, 50 Colin Street, West Perth, Western Australia. The register of investors is located at the office of the Responsible Entity at Level 3, 11 Queens Road, Melbourne, Victoria.

Principal Activities

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

The Syndicate owns the Oxley Mall Shopping Centre in Bowral, NSW, the City Centre building in Campbelltown, NSW and the Summerhill Village Shopping Centre in Reservoir, VIC. The investors in the Syndicate receive distributions quarterly from the income earned from the three properties.

The Syndicate has no employees.

Operating Results

The profit from continuing operations of the Syndicate for the year ended 30 June 2007 was \$3,167,237 (2006: \$4,719,492). This includes unrealised gains on investment properties of \$1,698,387 (2006: \$3,347,544).

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

	2007		2006	
	\$	Cents per unit	\$	Cents per unit
Interim distributions paid	1,290,375	7.75	1,290,302	7.75
Final distribution payable	<u>416,250</u>	<u>2.50</u>	<u>395,438</u>	<u>2.38</u>
	<u><u>1,706,625</u></u>	10.25	<u><u>1,685,740</u></u>	10.13

Review and Results of Operations

The review of operations for the year ended 30 June 2007 is discussed in the Review of Operations contained on page 2 of this report.

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DIRECTORS' REPORT (cont.)

Performance

	2007	2006
	%	%
Growth return	N/A*	N/A*
Distribution return	10.65	10.52
Total return	10.65	10.52
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:

	2007	2006
	No. of units	No. of units
Units on issue as at 30 June	16,650,000	16,650,000
	\$	\$
Value of the Syndicate's net assets attributable to unitholders – liability as at 30 June	21,215,355	19,754,743
Net tangible asset backing per unit	1.27	1.19

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 15 to the financial statements.

Fees Paid to the Responsible Entity

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

	2007	2006
	\$	\$
WRF Property Limited		
Manager's and compliance fees paid or payable	336,328	304,748
Reimbursable expenses paid or payable	9,482	31,639
	345,810	336,387

