

**VIENTO**  
DIRECT PROPERTY

ABN 51 095 920 648 AFSL 224663

2007/08

**FINANCIAL REPORT**  
**925 Property Syndicate**

ARSN 113 620 330 ABN 59 848 378 835

# CORPORATE DIRECTORY

## THE MANAGER & ISSUER

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

## REGISTERED OFFICE

Level 19, Riparian Plaza 71 Eagle Street Brisbane QLD 4000

## BUSINESS OFFICE

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)

## INDEPENDENT COMPLAINTS RESOLUTION SERVICE

Financial Industry Complaints Service Limited  
(ABN 64 068 901 904)  
31 Queen Street Melbourne VIC 3000  
PO Box 579 Collins Street West VIC 8007  
Telephone (Toll Free) 1800 335 405 Facsimile (03) 9621 2291  
E-mail [fics@fics.asn.au](mailto:fics@fics.asn.au)  
[www.fics.asn.au](http://www.fics.asn.au)

## 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:

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

Hand deliveries to:  
Melbourne Business office.  
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, Kevin Mumford, 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:

Financial Industry Complaints Service Limited  
PO Box 579 Collins Street West VIC 8007  
Phone: 1800 335 405

**925 PROPERTY SYNDICATE  
ARSN 113 620 330**

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**925 PROPERTY SYNDICATE  
ARSN 113 620 330**

**REVIEW OF OPERATIONS  
FOR THE YEAR ENDED 30 JUNE 2008**

The 925 Property Syndicate commenced on 2nd July 2005 after the acquisition of 14 Queens Road Melbourne, Victoria and the Mirrabooka Commercial Centre, Western Australia. The distribution for the year ending 30 June 2008 was 8.23 cents per unit.

The Syndicate investors transferred their units on 2 June 2008 in the 925 Property Syndicate to the Viento Diversified Property Fund and received Viento Diversified Property Fund units as consideration. The investors received an equivalent value of \$1.099 per unit from their initial investment of \$1.00. In June 2008, the book Value of the two assets in the syndicate were valued at \$11.1 million for Mirrabooka and \$22.3 million for 14 Queens Road.

This result in capital growth has been achieved due to consistent asset performance and strong market conditions.

Syndicate highlights for the year are as follows;

- Completion of additional Capital improvements of level 9 and base building amenities at 14 Queens Road Melbourne.
- Successful negotiation of new leases to existing tenants and new tenants at 14 Queens Road Melbourne.
- 100% occupancy at Mirrabooka.

The culmination of the above assisted in realising the maximum capital growth and performance for the syndicate in this financial period relating more particularly to 14 Queens Road Melbourne, which has undergone capital upgrades to reposition the property and the level of office accommodation offering to the market place.

**925 PROPERTY SYNDICATE  
ARSN 113 620 330**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

**Report by Directors of the Responsible Entity**

The Directors of Viento Property Limited (ABN 51 095 920 648), the Responsible Entity of 925 Property Syndicate ("the Syndicate") present their report together with the Financial Report of the Syndicate for the period ended 30 June 2008 and the auditor's report thereon.

**Responsible Entity**

The responsible entity of the 925 Property Syndicate is Viento Property Limited ("the Responsible Entity"), which has been the responsible entity since registration of the Syndicate on 2 July 2005.

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

<b>Name and Qualifications</b>	<b>Age</b>	<b>Experience and Special responsibilities</b>
<p><b>M Kluge</b> BAppSc, MSc (London) Appointed as Director 31 October 2007</p>	51	Managing Director of the parent company Viento Group Ltd. Has over 24 years experience in the funds management industry, including 14 years at Suncorp and the last 8 as General Manager of Investments.
<p><b>S A Barrett</b> MBA, Assoc Dip Bus Mgt, DFS(FP), RE Agts Rep, MAICD Director since 4 September 2003.</p>	39	Has 15 years experience in the Investment and Finance industries. She is Head of Marketing and Distribution for the Viento Group Ltd group of companies.
<p><b>A Micelotta</b> Director since 26 June 2006.</p>	43	Is a licensed real estate agent with over 15 years experience in the commercial real estate industry. He is Head of Property for the Viento Group Ltd group of companies.
<p><b>R C Nichevich</b> FCA, FAICD Resigned as Director 31 October 2007.</p>	60	Extensive experience in management and chartered accounting. He is a Non-Executive Director of the parent company, Viento Group Ltd.

**925 PROPERTY SYNDICATE  
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**DIRECTORS' REPORT (cont.)  
FOR THE YEAR ENDED 30 JUNE 2008**

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 19, Riparian Plaza, 71 Eagle Street, Brisbane. 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 investment activities are in accordance with the investment policy of the Syndicate as outlined in the Product Disclosure Statement, dated 6 May 2005.

The syndicate owns 14 Queens Road, Melbourne, VIC and the Mirrabooka Commercial Centre, WA. The investors in the Syndicate receive distributions quarterly from the income earned from the two properties.

The Syndicate has no employees.

**Operating Results**

The profit from continuing operations of the Syndicate for the year ended 30 June 2008 was \$2,812,771 (2007: \$3,221,882).

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

	2008		2007	
	\$	Cents per unit	\$	Cents per unit
Interim distributions paid	938,250	6.75	927,825	6.67
Final distribution payable	206,137	1.48	309,275	2.23
	<u>1,144,387</u>	<u>8.23</u>	<u>1,237,100</u>	<u>8.90</u>
Interest distribution paid	-	-	-	-
	<u>1,144,387</u>		<u>1,237,100</u>	

**Review and Results of Operations**

The review of operations for the period ended 30 June 2008 is discussed in the Review of Operations contained on page 2 of this report.

**Significant Changes in State of Affairs**

The Syndicate investors transferred their units on 2 June 2008 in the 925 Property Syndicate to the Viento Diversified Property Fund and received Viento Diversified Property Fund units as consideration. The investors received an equivalent value of \$1.099 per unit from their initial investment of \$1.00.

**925 PROPERTY SYNDICATE  
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**DIRECTORS' REPORT (Cont.)  
FOR THE YEAR ENDED 30 JUNE 2008**

**Performance**

	<b>2008</b>	<b>2007</b>
	%	%
Growth return	N/A*	N/A*
Distribution return	8.49	9.20
Total return	8.49	9.20
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 period was as follows:

	<b>2008</b>	<b>2007</b>
	No. of units	No. of units
Units issued		-
Units on issue as at 30 June	13,900,000	13,900,000
	<b>\$</b>	<b>\$</b>
Value of the Syndicate's net assets attributable to unitholders – liability as at 30 June	15,646,547	13,978,163
Net tangible asset backing per unit	1.13	1.01

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 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 period.

	<b>2008</b>	<b>2007</b>
	\$	\$
Viento Property Limited		
Manager's and compliance fees paid or payable	167,240	180,315
Exit / Completion fees	330,253	-
Reimbursable expenses paid or payable	5,463	8,643
	502,956	188,958

**925 PROPERTY SYNDICATE  
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**DIRECTORS' REPORT (Cont.)  
FOR THE YEAR ENDED 30 JUNE 2008**

**Fees Paid to the Responsible Entity (cont.)**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Viento Group Limited		
Accounting and registry fees	27,041	29,500
Viento Capital Limited		
Loan arrangement and underwriting fee	-	-
	<hr/> <hr/> 529,997	<hr/> <hr/> 218,458

**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 Ltd has approved policies and procedures in each of these areas to manage these exposures.

**State of Affairs**

The 925 Property Syndicate was created by a deed dated 31 March 2005 (amended 3 May 2005) ('the Constitution').

The Syndicate was formed to purchase 14 Queens Road, Melbourne, VIC and the Mirrabooka Commercial Centre, WA. The funding for the Syndicate consisted of 13,900,000 \$1.00 units. The Syndicate commenced operations on 2 July 2005, the day after the properties were purchased.

The Syndicate had total assets with a book value of \$33,937,682 at 30 June 2008 (2007: \$31,127,565). 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 period 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**

There are no 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.

**925 PROPERTY SYNDICATE  
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**DIRECTORS' REPORT (Cont.)  
FOR THE YEAR ENDED 30 JUNE 2008**

**Likely Developments**

The Syndicate will continue to run and operate the two properties for the investment term until 1 July 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 period ended 30 June 2008 has been received and can be found on page 29 of the Financial Report.

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



**M Kluge**  
Director  
Viento Property Limited

Dated this 23<sup>rd</sup> day of September 2008  
Brisbane, Queensland

**925 PROPERTY SYNDICATE  
ARSN 113 620 330**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

	Notes	2008 \$	2007 \$
<b><i>Investment Income</i></b>			
Rental income		2,843,688	3,358,396
Interest		13,526	53,640
Changes in fair value of investment property	4	<u>2,915,920</u>	<u>2,251,579</u>
<b><i>Total Investment Income</i></b>		5,773,134	5,663,615
<b><i>Expenses</i></b>			
Direct property expenses		(1,170,012)	(1,026,115)
Administration expenses	2	(590,245)	(253,267)
Borrowings costs	2	<u>(1,200,106)</u>	<u>(1,162,351)</u>
<b><i>Total Expenses</i></b>		<u>(2,960,363)</u>	<u>(2,441,733)</u>
		<hr/>	<hr/>
<b><i>Profit from Continuing Operations</i></b>		<u>2,812,771</u>	<u>3,221,882</u>
<b><i>Finance Costs</i></b>			
Distribution to unitholders	8	(1,144,387)	(1,237,100)
		<hr/>	<hr/>
<b><i>Total Finance Costs</i></b>		<u>(1,144,387)</u>	<u>(1,237,100)</u>
Changes in net assets attributable to unitholders - liability		<u>(1,668,384)</u>	<u>(1,984,782)</u>
<b><i>Net Profit</i></b>		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

**925 PROPERTY SYNDICATE  
ARSN 097 445 700**

**BALANCE SHEET  
AS AT 30 JUNE 2008**

	Notes	2008 \$	2007 \$
<b><i>Current Assets</i></b>			
Cash and cash equivalents	10(a)	217,262	289,847
Trade and other receivables	3	<u>232,466</u>	<u>481,282</u>
<b><i>Total Current Assets</i></b>		<u>449,728</u>	<u>771,129</u>
<b><i>Non-Current Assets</i></b>			
Trade and other receivables	3	39,445	56,436
Investment property	4	<u>33,448,509</u>	<u>30,300,000</u>
<b><i>Total Non-Current Assets</i></b>		<u>33,487,954</u>	<u>30,356,436</u>
<b><i>Total Assets</i></b>		<u>33,937,682</u>	<u>31,127,565</u>
<b><i>Current Liabilities</i></b>			
Trade and other payables	5	920,632	750,921
Short-term borrowings	6	<u>3,667</u>	<u>18,572</u>
<b><i>Total Current Liabilities</i></b>		<u>924,299</u>	<u>769,493</u>
<b><i>Non-Current Liabilities</i></b>			
Long-term borrowings	6	<u>17,366,836</u>	<u>16,379,909</u>
<b><i>Total Non-current Liabilities</i></b>		<u>17,366,836</u>	<u>16,379,909</u>
<b><i>Total Liabilities Excluding Net Assets Attributable to Unitholders</i></b>		<u>18,291,135</u>	<u>17,149,402</u>
Net assets attributable to unitholders – liability	7	<u>15,646,547</u>	<u>13,978,163</u>
<b><i>Net Assets</i></b>		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes form part of these financial statements.

925 PROPERTY SYNDICATE  
ARSN 097 445 700

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS –  
LIABILITY  
FOR THE YEAR ENDED 30 JUNE 2008

	Notes	2008 \$	2007 \$
<b><i>Total Net Assets Attributable to Unitholders - Liability at the Beginning of the Period</i></b>		13,978,163	11,993,381
Change in net assets attributable to unitholders - liability		<u>1,668,384</u>	<u>1,984,782</u>
<b><i>Total Net Assets Attributable to Unitholders - Liability at the End of the Period</i></b>		<u>15,646,547</u>	<u>13,978,163</u>

The accompanying notes form part of these financial statements.

**925 PROPERTY SYNDICATE  
ARSN 097 445 700**

**CASH FLOW STATEMENT  
YEAR ENDED 30 JUNE 2008**

	Notes	2008 \$	2007 \$
<b><i>Cash Flows from Operating Activities</i></b>			
Rental receipts		3,276,207	3,497,118
Payments to suppliers		(1,654,121)	(1,660,187)
Interest received		13,526	53,640
Borrowings costs		<u>(1,116,594)</u>	<u>(1,061,680)</u>
<b><i>Net cash Provided by Operating Activities</i></b>	10(b)	<u>519,018</u>	<u>828,891</u>
<b><i>Cash Flows from Investing Activities</i></b>			
Payment for investment properties		<u>(232,589)</u>	<u>(632,465)</u>
<b><i>Net cash used in Investing Activities</i></b>		<u>(232,589)</u>	<u>(632,465)</u>
<b><i>Cash Flows from Financing Activities</i></b>			
Proceeds from borrowings		895,000	-
Payment for loan establishment costs		(6,490)	-
Finance costs – distribution to unitholders		<u>(1,247,524)</u>	<u>(1,233,625)</u>
<b><i>Net cash Provided by Financing Activities</i></b>		<u>(359,014)</u>	<u>(1,233,625)</u>
Net (decrease)/increase in cash and cash equivalents		(72,585)	(1,037,199)
Cash and cash equivalents at the beginning of the year		<u>289,847</u>	<u>1,327,046</u>
<b><i>Cash and Cash Equivalents at the End of the Year</i></b>	10(a)	<u><u>217,262</u></u>	<u><u>289,847</u></u>

The accompanying notes form part of these financial statements.

**925 PROPERTY SYNDICATE  
ARSN 097 445 700**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**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 ending 30 June 2008. The Financial Report was authorised for issue by the Directors of the Responsible Entity on 7 September 2008.

**Basis of Preparation**

The 925 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 is carried at fair value, determined by the directors or independent valuation. Changes in fair value are recorded in the income statement. Refer to Note 4 Investment Property for further details on fair value determination.

An independent valuation is carried out on each property at least every 2 years.

Investment property is not depreciated.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008

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

**(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 income statement using the effective interest rate method.

Distribution and dividend income is recognised when the right to receive a distribution or dividend has been established.

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.

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**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 unitholders. 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 unitholders. Accordingly the Syndicate has no equity and the distributions paid and payable to unitholders are classified as a finance cost in the income statement, while distributions payable are classified as a payable in the balance sheet.

***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 income statement.

**(g) Finance Costs**

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

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

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

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

**(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 unitholders.

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

**(i) Transfers to/from Unitholders' 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 unitholders' funds.

These items are transferred from the unitholders' 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 2.0% of the net income, and is payable quarterly in arrears.

The Responsible Entity may defer up to 70% 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 the best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Syndicate and Responsible Entity.

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>2 Investment Expenses</b>		
<b>Administration Expense</b>		
Custodian fees	20,002	20,000
Managers fees	167,220	167,315
Exit/ Completion fees	330,253	-
Compliance fees	11,915	13,000
Other administration expenses	60,855	52,952
	<u>590,245</u>	<u>253,267</u>
<b>Borrowing Costs</b>		
Other persons	1,101,689	1,064,895
Impairment of loan establishment costs	98,417	97,456
	<u>1,200,106</u>	<u>1,162,351</u>
<b>3 Trade and Other Receivables</b>		
<b>Current</b>		
Rental debtors	51,860	260,295
Other debtors	60,786	74,341
Prepayments	97,297	30,399
Accrued income	11,940	6,244
Capitalised lease fees and incentives	10,583	110,003
	<u>232,466</u>	<u>481,282</u>
<b>Non-Current</b>		
Capitalised lease fees and incentives	39,445	56,436
	<u>39,445</u>	<u>56,436</u>
<b>Past due but not impaired</b>		
As of 30 June 2008 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	51,860	260,295
3 to 6 months	-	-
	<u>51,860</u>	<u>260,295</u>

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**4 Investment Property**

	Purchase Price	Acquisition Costs / Capital Expenditure	Source of valuation / appraisal	Valuation / Appraisal	Revaluation amount	Fair value 30 June
<b>2008</b>						
14 Queens Rd, Melbourne VIC	19,500,000	232,589	Viento Property Ltd	22,348,509	2,615,920	22,348,509
Mirrabooka Commercial Centre WA	10,800,000	-	Viento Property Ltd	11,100,000	300,000	11,100,000
	<u>30,300,000</u>				<u>2,915,920</u>	<u>33,448,509</u>

	Purchase Price	Acquisition Costs / Capital Expenditure	Source of valuation / appraisal	Valuation / Appraisal	Revaluation amount	Fair value 30 June
<b>2007</b>						
14 Queens Rd, Melbourne VIC	18,304,799	632,465	Savills	19,500,000	562,736	19,500,000
Mirrabooka Commercial Centre WA	9,111,157	-	CBRE	10,800,000	1,688,843	10,800,000
	<u>27,415,956</u>				<u>2,251,579</u>	<u>30,300,000</u>

*Valuation basis:*

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 determination of fair value was based on the present values of net future cash flows and the capitalisation of future rental income and, where available, market data for comparable properties. The independent valuations (as indicated above), which conform to Australian Valuation Standards, were based on assessments made by an independent valuer who is a member of the Australian Property Institute. The Directors appraisals have been prepared by executive directors' of the Responsible Entity. Both the independent valuers and directors of the Responsible Entity have recent experience in the relevant location and category of the investment properties being valued. 14 Queens road was externally valued at \$21,500,000 in Mar 08 and Mirrabooka was externally valued at \$11,100,000 in Mar 08.

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>5 Trade and Other Payables</b>		
<b>Current</b>		
Accounts payable	132,609	72,349
Other creditors and accruals	565,388	271,187
Unearned income	16,033	48,021
Distributions payable	206,137	309,275
GST payable	465	50,089
	<u>920,632</u>	<u>750,921</u>
<b>6 Interest Bearing Liabilities</b>		
<b>Current</b>		
<i>Short-term borrowings</i>		
Unsecured loans - other (i)	<u>3,667</u>	<u>18,572</u>
<b>Non Current</b>		
<i>Long-term borrowings</i>		
Secured loan (ii)	17,665,000	16,770,000
Less: borrowings costs	(298,164)	(390,091)
Bank loan	<u>17,366,836</u>	<u>16,379,909</u>

- (i) The loan is through AON Funding Solutions (2007: Pacific Premium Funding) which finances the payment of the Syndicate's insurance premiums to enable it to pay the premium monthly. The rate of 4.5% (2007: 6.58%) 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. The proceeds of the loan were used to help fund the acquisition of the investment properties on behalf of the Syndicate. The loan is for a period of 6 years from 1 July 2005. Interest is forward fixed effective from 1 July 2005 until 30 June 2011 at a rate of 6.35% p.a. which includes the banks margin.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>7 Unit Holders' Funds</b>		
<i>Movements in unit holders' funds during the period were as follows:</i>		
Opening balance	13,978,163	11,993,381
Profit from continuing operations	2,812,771	3,221,882
Distributions	(1,144,387)	(1,237,100)
<b>Closing balance</b>	<b>15,646,547</b>	<b>13,978,163</b>
	<b>2008</b>	<b>2007</b>
	<b>No. of</b>	<b>No. of</b>
	<b>units</b>	<b>units</b>
13,900,000 units issued on 2 July 2005 at \$1.00 each	<u>13,900,000</u>	<u>13,900,000</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.

**8 Distributions**

	<b>2008</b>		<b>2007</b>	
	<b>\$</b>	<b>Cents per unit</b>	<b>\$</b>	<b>Cents per unit</b>
Interim distributions paid:				
September	312,750	2.25	309,275	2.22
December	312,750	2.25	309,275	2.23
March	312,750	2.25	309,275	2.22
Final distribution payable	206,137	1.48	309,275	2.23
	1,144,387	8.23	1,237,100	8.90
Interest distribution paid	-	-	-	-
	<u>1,144,387</u>	<u>8.23</u>	<u>1,237,100</u>	<u>8.90</u>

**9 Commitments and Contingent Liabilities**

There were no commitments for capital expenditure or any contingent liabilities at 30 June 2008.

**925 PROPERTY SYNDICATE  
ARSN 097 445 700**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**10 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:

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	<u>217,262</u>	<u>289,847</u>

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

Profit from continuing operations	2,812,771	3,221,882
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***Non-Cash Flows in Profit from Continuing Operations***

Impairment of Borrowing costs	98,417	97,456
Impairment of Lease incentives	236,507	108,526
Revaluation of assets	(2,915,920)	(2,251,579)

***Changes in Assets and Liabilities:***

(Increase) in receivables	221,990	(237,279)
(Increase) in prepaid expenses	(66,898)	(11,059)
(Increase) in other assets	(125,793)	(196,286)
Decrease in trade creditors	60,260	63,608
Decrease in other creditors and accruals	197,684	33,622

***Cash Flows from Operations***

	<u>519,018</u>	<u>828,891</u>
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**c) Loan Facilities**

Loan facilities	17,665,000	16,770,000
Amount utilised	(17,665,000)	(16,770,000)

**Unused Loan Facilities**

	<u>-</u>	<u>-</u>
--	----------	----------

Refer to Note 6 for further details on the loan facilities.

**925 PROPERTY SYNDICATE  
ARSN 097 445 700**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**11 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 unitholders, in addition to derivatives, cash and cash equivalents, net assets attributed to unitholders, 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:

	Weighted Average Effective Interest Rate %pa	Floating Interest Rate \$	Fixed interest maturing in or repriced at			Non- Interest Bearing \$	Total \$
			Within Year \$	1 to 5 Years \$	Over 5 Years \$		
<b>2008</b>							
Financial Assets:							
Cash	5.33%	217,262	-	-	-	-	217,262
Receivables		-	-	-	-	271,911	271,911
		<u>217,262</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,911</u>	<u>489,173</u>
Financial Liabilities:							
Payables		-	-	-	-	(920,632)	(920,632)
Short term borrowings	4.5%	-	(3,667)	-	-	-	(3,667)
Long term borrowings	8.85%	-	-	(17,665,000)	-	-	(17,665,000)
		<u>-</u>	<u>(3,667)</u>	<u>(17,665,000)</u>	<u>-</u>	<u>(920,632)</u>	<u>(18,589,299)</u>
Net financial assets/(liabilities)		<u>217,262</u>	<u>(3,667)</u>	<u>(17,665,000)</u>	<u>-</u>	<u>(648,721)</u>	<u>(18,100,126)</u>
<b>2007</b>							
Financial Assets:							
Cash	4.50%	289,847	-	-	-	-	289,847
Receivables	-	-	-	-	-	537,718	537,718
		<u>289,847</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537,718</u>	<u>827,565</u>
Financial Liabilities:							
Payables	-	-	-	-	-	(750,921)	(750,921)
Short term borrowings	6.58%	-	(18,572)	-	-	-	(18,572)
Long term borrowings	6.35%	-	-	(16,770,000)	-	-	(16,770,000)
		<u>-</u>	<u>(18,572)</u>	<u>(16,770,000)</u>	<u>-</u>	<u>(750,921)</u>	<u>(17,539,493)</u>
Net financial assets/(liabilities)		<u>289,847</u>	<u>(18,572)</u>	<u>(16,770,000)</u>	<u>-</u>	<u>(213,203)</u>	<u>(16,711,928)</u>

**925 PROPERTY SYNDICATE  
ARSN 097 445 700**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**11 Financial Instruments (cont.)**

**b) 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 balance sheet 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 fund.

**d) Sensitivity Analysis:**

The syndicate has fixed term interest rate, therefore low interest risk.

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

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Less than 6 months	557,353	750,921
6 months to 1 year	363,279	-
1 year to 5 years	-	-
Over 5 years	-	-
	<u>920,632</u>	<u>750,921</u>

**12 Capital Management**

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

The fund'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%.

**925 PROPERTY SYNDICATE  
ARSN 097 445 700**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**12 Capital Management (cont)**

The directors manage the fund's capital by assessing the fund'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 fund since the prior year. The strategy is to maintain the funds gearing ratio between 30-70%.

The gearing ratios for the year ended 30 June 2008 and 30 June 2007 are as follows:

	<b>Notes</b>	<b>2008</b>	<b>2007</b>
		<b>\$</b>	<b>\$</b>
Total borrowings	6	17,665,000	16,770,000
Less cash and cash equivalents	10(a)	<u>(217,262)</u>	<u>(289,847)</u>
Net Debt		17,447,738	16,480,153
Net assets attributable to unit holders	7	<u>15,646,547</u>	<u>13,978,163</u>
Total capital		<u>33,094,285</u>	<u>30,458,316</u>
Gearing ratio		53%	54%

**13 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>2008</b>				
14 Queens Rd, Melbourne VIC	1,450,117	1,276,854	-	2,726,971
Mirrabooka Commercial Centre WA	<u>1,002,758</u>	<u>487,506</u>	-	<u>1,490,264</u>
	<u>2,452,875</u>	<u>1,764,360</u>	-	<u>4,217,235</u>
<b>2007</b>				
14 Queens Rd, Melbourne VIC	1,137,536	857,179	-	1,994,715
Mirrabooka Commercial Centre WA	<u>1,018,361</u>	<u>1,400,879</u>	-	<u>2,419,240</u>
	<u>2,155,897</u>	<u>2,258,058</u>	-	<u>4,413,955</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.

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**14 Segment Information**

The Syndicate operates solely in the business of property investment within Australia.

**15 Auditor's Remuneration**

	2008 \$	2007 \$
<i>Remuneration of the auditor of the Syndicate for:</i>		
-Audit and review of the financial reports	5,500	9,300
-Compliance plan audit	<u>3,300</u>	<u>3,200</u>
	<u>8,800</u>	<u>12,500</u>

**16 Related Party Disclosures**

The Responsible Entity of the Viento 925 Property Syndicate is Viento Property Limited (ABN 51 095 920 648). Viento Property Limited is a wholly owned subsidiary of Viento Group Limited (ABN 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:

Mr M Kluge	Director (appointed 31 October 2007)
Mr R C Nichevich	Director (resigned 31 October 2007)
Ms S Barrett	Director
Mr T Micelotta	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.

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**16 Related Party Disclosures (cont.)**

*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.

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

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
Viento Property Limited		
Manager's and compliance fees paid or payable	167,240	180,315
Exit / Completion fee	330,253	-
Reimbursable expenses paid or payable	5,463	8,643
	<u>502,956</u>	<u>188,958</u>
Viento Group Limited		
Accounting and registry fees	27,041	29,500
	<u>27,041</u>	<u>29,500</u>
	<u>529,997</u>	<u>218,458</u>

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**16 Related Party Disclosures (cont.)**

**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 holdings in the Syndicate by Related Parties is set out below. No other related parties held units in the Syndicate during the year.

**30 June 2008**

Entity	Relationship	Unit holding \$	Interest held %	Units acquired	Units disposed	Distribution paid / payable \$
Viento Diversified Property Fund	Same Responsible Entity	13,900,000	100	13,720,000	-	14,814
		13,900,000		13,720,000	-	14,814

**30 June 2007**

Entity	Relationship	Unit holding \$	Interest held %	Units acquired	Units disposed	Distribution paid / payable \$
Viento Property Fund	Same Responsible Entity	180,000	1.29	-	25,000	17,689
		180,000		-	25,000	17,689

**925 PROPERTY SYNDICATE  
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2008**

**17 Accounting Standards**

The following Australian Accounting Standards have been issued or amended and are applicable to the fund but are not yet effective and have not been adopted in the preparation of the financial statements at reporting date.

AASB 2007-3 Amendments to Australian Accounting Standards makes amendments to AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*, AASB 6 *Exploration for and Evaluation of Mineral*, AASB 102 *Inventories*, AASB 107 *Cash Flow Statements*, AASB 119 *Employee Benefits*, AASB 127 *Consolidated and Separate Financial Statements*, AASB 134 *Interim Financial Reporting*, AASB 136 *Impairment of Assets*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*.

AASB 2007-3 is applicable for annual reporting periods beginning on or after 1 January 2009, and relates to disclosure requirements of AASB114 *Segment Reporting* due to the issuing of AASB 8: *Operating Segments*. These amendments will involve changes to segment reporting. However, there will be no direct impact on the financial report as the fund does not fall within the scope of AASB 8.

AASB 8 *Operating Segments* makes amendments to AASB 114 *Segment Reporting*. AASB 2008 is applicable for annual reporting periods beginning on or after 1 January 2009 These amendments will involve changes to segment reporting. However, there will be no direct impact on the financial report as the fund does not fall within the scope of AASB 8.

AASB 2007-6 Amendments to Australian Accounting Standards makes amendments to AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, AASB 101 *Presentation of Financial Statements*, AASB 107 *Cash Flow Statements*, AASB 111 *Construction Contracts*, AASB 116 *Preoperty Plant and Equipment*, AASB 138 *Intangible Assets*. AASB 2007-6 is applicable for annual reporting periods beginning on or after 1 January 2009. This amendment will require the capitalisation of all borrowing costs directly to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the fund as it already capitalises borrowing costs related to qualifying assets.

The revised AASB 123 *Borrowing Costs* has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly to the acquisition, construction or production of a qualifying asset. However, there will be no direct impact to the amounts included in the fund as it already capitalises borrowing costs related to qualifying assets.

AASB 2007-8 Amendments to Australian Accounting Standards makes amendments to AASB 101 *Presentation of Financial Statements* and is applicable for annual reporting periods beginning on or after 1 January 2009. This amendment requires the presentation of a statement of comprehensive income.

The revised AASB 101 *Presentation of Financial Statements* is applicable for annual reporting periods beginning on or after 1 January 2009. This amendment requires the presentation of a statement of comprehensive income.

**18 Subsequent Events**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Responsible Entity, to affect significantly the operations of the Syndicate, the results of those operations, or the state of affairs of the Syndicate in future financial years.

The directors of Viento Property Limited, the Responsible Entity of the 925 Property Syndicate, declare that:

1. The financial statements and notes, as set out on pages 8 to 27 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 2008 and of its performance for the period ended on that date.
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.



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**M Kluge**  
Director  
Viento Property Limited

Dated this 23<sup>rd</sup> day of September 2008  
Brisbane, Queensland

#### AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of 925 Property Syndicate for the year ended 30 June 2008, 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.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK  
Principal

Perth, WA

Dated this 23<sup>rd</sup> day of September 2008

**INDEPENDENT AUDIT REPORT TO THE UNIT HOLDERS OF 925 PROPERTY SYNDICATE**

We have audited the accompanying financial report of the 925 Property Syndicate (the Syndicate), which comprises the balance sheet as at 30 June 2008, 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 and other explanatory notes and the directors' declaration.

**Directors' Responsibility for the Financial Report**

The Directors of the Responsible Entity, Viento Property Ltd, (the Directors) 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, 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 (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, 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. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Viento Property Ltd as the Responsible Entity for the 925 Property Syndicate are in the same terms as this auditor's report.

**Auditor's Opinion**

In our opinion, the financial report of the 925 Property Syndicate is in accordance with the Corporations Act 2001 including:

- a)
  - i. giving a true and fair view of the Syndicate's financial position as at 30 June 2008 and of their performance for the year ended on that date; and
  - ii. complying with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Regulations 2001.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK  
Principal

Perth, WA

Dated this 23<sup>rd</sup> day of September 2008

*Total Financial Solutions*

**Member Horwath International**

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# VIENTO

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