APPENDIX 4E

Preliminary Final Report

Year ended 30 June 2010

Name of Entity: ING Office Fund

ARSN: ING Office Fund comprises Armstrong Jones Office Fund ARSN 090 242 229 and Prime Credit Trust ARSN 089 849 196

Results for announcement to the market

	$m	
Revenues from ordinary activities	down 11.5% to 212.0	
Profit from ordinary activities after tax attributable to members	up 106% to 42.5	
Net profit for the period attributable to members	up 106% to 42.5	
Operating income	up 3% to 151.2	
	30 June 2010	**30 June 2009**
Net tangible assets per unit	$0.74	$0.99

Distributions	Amount per unit (cents)	$m
Interim - 30 September 2009	0.975	26.6
Interim - 31 December 2009	0.975	26.6
Interim - 31 March 2010	0.975	26.6
Final - 30 June 2010	0.975	26.6
Total	3.900	106.4
Previous Corresponding Period	9.650	144.6
Record date for determining entitlements to the final distribution	30 June 2010	

Note : Franked amount per unit is not applicable

Other significant information and commentary on results
See attached ASX announcement

For further details, please refer to the following attached documents:

- Directors' report
- Audited financial report
- Results presentation and Media Release
- Property book

Sarah Wiesener
Company Secretary

18 August 2010

ING OFFICE FUND

FINANCIAL & ASSOCIATED REPORTS

YEAR ENDED 30 JUNE 2010

REAL ESTATE INVESTMENT MANAGEMENT

www.ingrealestate.com.au

ING Office Fund
Financial & associated reports
Year ended 30 June 2010

Contents

The ING Office Fund has been formed by the stapling of the units in two Australian registered schemes, Armstrong Jones Office Fund (ARSN 090 242 229) and Prime Credit Property Trust (ARSN 089 849 196). ING Management Limited (ABN 15 006 065 032; AFS licence number 237534), the Responsible Entity of both schemes, is incorporated and domiciled in Australia.

A description of the nature of the schemes' operations and their principal activities is included in the accompanying directors' report.

The registered office and principal place of business of the Responsible Entity is located at level 6, 345 George Street, Sydney, New South Wales.

The financial report was authorised for issue by the directors of the Responsible Entity on 18 August 2010. The Trusts have the power to amend and reissue the financial report.

ING Office Fund
Directors' report
Year ended 30 June 2010

The ING Office Fund (the "Group") was formed by the stapling of the units in two trusts, Armstrong Jones Office Fund (the "Fund") and Prime Credit Property Trust ("Prime") (collectively the "Trusts"). The Responsible Entity for both Trusts is ING Management Limited, which now presents its report together with the Trusts' financial report for the year ended 30 June 2010 and the auditor's report thereon.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and the Fund has been identified as the parent for preparing consolidated financial reports.

The directors' report is a combined directors' report that covers both Trusts. The financial information given for the Group is taken from the consolidated financial statements and notes of the Fund.

Directors

The directors of the Responsible Entity at any time during or since the end of the financial year were:

Richard Colless AM	Chairman
Philip Clark AM	
Michael Easson AM	
Paul Scully	
Christophe Tanghe	Appointed 1 September 2009
George Jautze	Appointed 1 September 2009; resigned 31 May 2010
Philip Redmond	Resigned 12 April 2010

Except as stated, these persons were directors of the Responsible Entity during the whole of the financial year and up to the date of this report.

Principal activity

The principal activity of the Trusts is investment in real estate. There was no significant change in the nature of either Trust's activities during the financial year.

Operating and financial review

A summary of the Trusts' results for the financial year is:

	ING Office Fund		Prime Credit Property Trust	
	2010	2009	2010	2009
Net profit/(loss) attributable to unitholders ($ million)	42.5	(764.2)	5.4	(463.3)
Operating income ($ million)	151.2	146.9	66.2	74.8
Distributions per unit (cents)	3.90	9.65	1.65	2.99
Per stapled unit:				
Basic and diluted earnings per unit (cents)	1.6	(49.8)	na	na
Operating income per unit (cents)	5.6	9.6	na	na

The Responsible Entity uses the Trusts' operating income as an additional performance indicator. Operating income does not take into account certain items recognised in the income statement including unrealised gains or losses on the revaluation of the Trusts' properties and derivatives.

ING Office Fund
Directors' report
Year ended 30 June 2010

Operating income for the financial year has been calculated as follows:

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Net profit/(loss) attributable to unitholders	42.5	(764.2)	5.4	(463.3)
Adjusted for:				
Straight line lease revenue recognition	(4.0)	(4.4)	(0.9)	(3.0)
Net foreign exchange (gain)/loss	(25.9)	37.0	(1.6)	19.8
Net loss on change in fair value of:				
Investment properties	73.6	494.7	37.3	310.3
Derivatives	15.3	153.9	11.1	75.5
Items included in share of net profit/(loss) of equity accounted investments:				
Investment properties	49.8	301.0	6.7	208.1
Derivatives	6.7	17.6	5.4	13.2
Minorities' share of gain/(loss) on change in fair value of investment properties	2.1	(15.2)	2.1	(15.2)
Deferred income tax (benefit)/expense	(9.0)	(71.3)	0.7	(70.6)
Deferred income tax included in share of net profit/(loss) of equity accounted investments	0.1	(2.2)	-	-
Operating income	151.2	146.9	66.2	74.8

Operating income for the 2010 financial year increased by 2.9% to $151.2 million from $146.9 million for the 2009 financial year. The increase is mainly due to a reduction in finance costs partially offset by a reduction in income from the property portfolio as a result of asset sales during the year.

Operating income per unit for the 2010 financial year was down 42% to 5.6 cents, compared to 9.6 cents per unit previously. This was mainly due to the increase in units on issue following the December 2008 and July 2009 capital raisings.

Distributions have reduced by 60% to 3.9 cents for the 2010 financial year from 9.6 cents in 2009 due to the increase in units on issue following the December 2008 and July 2009 capital raisings and a change to the Group's distribution policy, which is now to distribute the greater of 70% - 80% of operating income and 100% of taxable income.

Earnings per unit as calculated under applicable accounting standards for the year ended 30 June 2010 were up 103% to a profit of 1.6 cents, compared to a loss of 49.8 cents per unit for the previous financial year due to a reduction in asset devaluations.

Total assets decreased by $415.8 million or 14% to $2,553.1 million over the year. Asset revaluations (including share of devaluations of equity accounted investments) and disposals contributed $123.4 million and $214.7 million respectively to the decrease. The basis of the valuations is described in note 1 in the financial report.

A total of $401.5 million of new equity (after costs) was raised during the year. As a result, issued units increased by 922.6 million to 2,729.1 million.

Net tangible assets per unit at 30 June 2010 stood at $0.74 per stapled unit.

ING Office Fund
Directors' report
Year ended 30 June 2010

Portfolio Overview

Key portfolio achievements during the year include:

- portfolio occupancy of 93%[1] (Australia 98%, Europe 92% and United States 84%);
- tenant retention of 60% (Australia 57%, Europe 100% and US 63%); and
- like-for-like net property income growth of 1.0% (Australia +2.7%, Europe +5.9% and United States -8.7%).

Leasing

The Group achieved solid leasing success during the year with total leasing activity of over 52,000 square metres in Australia and 300,000 square feet[2] in the United States. This included the successful re-letting of a number of significant expiries in the Australia with little or no downtime. In the United States, the Group continued to take an active and targeted approach to leasing vacancies and secured a number of key lease deals.

Revaluations

Over the year 98% of the Group's portfolio was externally valued. The Group's weighted average capitalisation rate remained steady at 7.5%.

The Group believes there are clear signs that asset values have stabilised and in some instances upward improvements in value are evident. These positive improvements are attributable to both solid occupational conditions in select Australian markets, and improved investment demand in select United States locations.

Redevelopments

The Group's two refurbishment projects are progressing on time and on budget. 10-20 Bond St, Sydney will be fully completed by March 2011 and is currently tracking in line with budget on both a leasing and development basis. The first lease in this redevelopment has been agreed and the Group remains confident of securing further quality tenants before completion.

The first tranche of space at 295 Ann St, Brisbane has been successfully refurbished and delivered to the tenant, QR. The bulk of the remaining QR space is on schedule to be completed and delivered by October 2010.

Capital Management

The Group's gearing ratio[3] stands at 23%. The Group has no debt expiry until June 2012 and the Group is assessing various options to refinance and diversify its funding sources at the opportune time. It is likely that refinancing the debt facility will increase the interest margin payable by the Group from its existing favourable margin, which was negotiated in June 2007.

Strategy

The Group has realigned its strategic focus to concentrate on Australian A grade central business district (CBD) office markets and will conduct a phased withdrawal from its current off-shore markets over time. This decision to concentrate on the Australian CBD office market is based on two key drivers. Firstly, the strategy focuses the Group's investment into markets where it has strong internal capability to actively drive performance; and secondly, the Group believes that over the longer term Australia will provide better risk adjusted returns.

---

[1] Including leasing deals completed up to August 2010 and excluding 10-20 Bond Street, Sydney (currently undergoing refurbishment).

[2] Includes over 100,000sqft of leases at 880 Waltham Woods, Boston finalised in August 2010.

[3] On the basis of look-through debt to total look-through assets.

ING Office Fund
Directors' report
Year ended 30 June 2010

The Group believes it will be well placed to drive value in its office portfolio by leveraging its strong leasing and redevelopment capabilities to deliver consistent superior returns to unitholders.

In order to maximise unitholder returns from the Group's off-shore investments, the Group will only sell these assets after taking into account market conditions and expected future returns. The Group has already commenced the implementation of this strategy as demonstrated by the recently announced conditional sale of Park Tower, Northern Virginia, which is expected to be sold at a premium to book value.

Additionally, the Fund is continuing discussions to divest part of its investment in the Dutch Office Fund.

Distributions

Details of distributions are given in note 3 in the financial report.

Significant changes in the state of affairs

In the opinion of the directors of the Responsible Entity, there were no significant changes in the state of affairs of the Trusts that occurred during the financial year.

Events subsequent to reporting date

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 directors, to affect significantly the operations of the Group, the result of those operations or the state of affairs of the Group, in future financial years.

Likely developments

The Group's key priorities are to:

- continue to drive operational performance across the existing portfolio;
- increase Australian CBD asset weighting as opportunities arise;
- phased withdrawal from offshore markets when acceptable values can be achieved; and
- complete the refurbishment and leasing of 10-20 Bond Street, Sydney.

The Group expects operating income per unit of 5.2 cents for the year ended 30 June 2011 and distributions for that year of 3.9 cents per stapled unit.

Environmental regulation

The Trusts' operations are not subject to any particular and significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Indemnities

The Trusts have not indemnified, nor paid any insurance premiums for, a person who is or has been an officer of the Responsible Entity or an auditor of the Trusts.

Interests of directors of the Responsible Entity

Units in each Trust held by directors of the Responsible Entity as at 30 June 2010 were:

	Number of units
Paul Scully	42,214

The other directors of the Responsible Entity did not hold any units in either Trust at that date.

Other information

Fees paid to the Responsible Entity and its associates, and the number of units in the Trusts held by the Responsible Entity and its associates as at the end of the financial year, are set out in note 21 in the financial report.

ING Office Fund
Directors' report
Year ended 30 June 2010

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Rounding of amounts

The Trusts are of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in this report and in the financial report. Amounts in these reports have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, the nearest thousand dollars.

Signed in accordance with a resolution of the directors of the Responsible Entity.

Michael Easson AM
Director
Sydney
18 August 2010

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Auditor's Independence Declaration to the Directors of ING Management Limited as Responsible Entity for the Armstrong Jones Office Fund and the Prime Credit Property Trust

In relation to our audit of the financial report of the Armstrong Jones Office Fund and its controlled entities and the Prime Credit Property Trust and its controlled entities for the financial year ended 30 June 2010, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Douglas Bain
Partner
18 August 2010

ING Office Fund
Consolidated income statements
Year ended 30 June 2010

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
Revenue					
Rental income		180.7	203.7	99.8	121.3
Other property income		25.3	28.5	16.7	18.7
Interest income		6.0	7.3	0.4	1.3
		212.0	239.5	116.9	141.3
Other income					
Net foreign exchange gain/(loss)		28.7	(38.3)	1.6	(19.6)
Net loss on change in fair value of:					
Investment properties		(73.6)	(494.7)	(37.3)	(310.3)
Derivatives		(15.3)	(153.9)	(11.1)	(75.5)
Expenses					
Property expenses		(56.4)	(61.3)	(38.9)	(43.5)
Finance costs		(21.7)	(52.9)	(10.7)	(22.4)
Responsible Entity's fees	21	(8.4)	(10.8)	(3.7)	(5.3)
Other		(3.1)	(3.1)	(1.5)	(2.7)
Share of net loss of equity accounted investments	10	(23.0)	(274.3)	(6.8)	(209.2)
Profit/(loss) before income tax		39.2	(849.8)	8.5	(547.2)
Income tax benefit	5	6.5	71.4	0.1	69.7
Net profit/(loss) for the year		45.7	(778.4)	8.6	(477.5)
Net (profit)/loss attributable to external non-controlling interests		(3.2)	14.2	(3.2)	14.2
Net profit/(loss) attributable to unitholders		42.5	(764.2)	5.4	(463.3)
Attributable to unit holders of:					
Armstrong Jones Office Fund		37.1	(300.9)	-	-
Prime Credit Property Trust		5.4	(463.3)	5.4	(463.3)
		42.5	(764.2)	5.4	(463.3)
Distributions per unit	3	3.90	9.65	1.65	2.99
Basic and diluted earnings per unit (cents)					
Per stapled unit	4	1.6	(49.8)	na	na
Per unit of each Trust	4	1.4	(19.6)	0.2	(30.2)

ING Office Fund
Consolidated statements of comprehensive income
Year ended 30 June 2010

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
Net profit/(loss) for the year		45.7	(778.4)	8.6	(477.5)
Other comprehensive income:					
Exchange differences on translation of foreign operations:					
Unitholders	15	(103.0)	2.5	(20.5)	(24.5)
External non-controlling interests		(0.8)	5.8	(0.8)	5.8
Share of other comprehensive income of equity accounted investments	15	(0.1)	(2.7)	-	-
Total comprehensive income for the year		(58.2)	(772.8)	(12.7)	(496.2)
Total comprehensive income for the year is attributable to:					
Armstrong Jones Office Fund		(45.5)	(276.6)	-	-
Prime Credit Property Trust		(15.1)	(487.8)	(15.1)	(487.8)
External non-controlling interests		2.4	(8.4)	2.4	(8.4)
		(58.2)	(772.8)	(12.7)	(496.2)

The components of other comprehensive income shown above are presented net of related income tax effects.

ING Office Fund
Consolidated balance sheets
As at 30 June 2010

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
Current assets					
Cash and cash equivalents	6	28.8	18.8	18.5	8.9
Trade and other receivables	7	6.5	9.2	3.8	3.5
Derivatives	8	3.4	0.7	0.6	0.7
Investment properties	9	-	37.9	-	37.9
		38.7	66.6	22.9	51.0
Non-current assets					
Trade and other receivables	7	73.4	87.7	198.6	-
Investment properties	9	1,923.8	2,158.2	1,033.3	1,198.6
Equity accounted investments	10	510.4	656.4	99.2	111.1
Derivatives	8	6.8	-	0.2	-
		2,514.4	2,902.3	1,331.3	1,309.7
Total assets		2,553.1	2,968.9	1,354.2	1,360.7
Current liabilities					
Payables	11	29.9	23.4	14.6	23.3
Derivatives	8	5.1	24.6	-	2.8
Distribution payable	3	26.6	38.4	26.6	11.9
		61.6	86.4	41.2	38.0
Non-current liabilities					
Payables	11	-	0.7	-	-
Borrowings	12	402.6	1,002.6	186.8	332.4
Derivatives	8	20.0	32.5	11.1	17.3
Deferred tax liabilities	13	22.5	36.3	22.5	22.6
		445.1	1,072.1	220.4	372.3
Total liabilities		506.7	1,158.5	261.6	410.3
Net assets		2,046.4	1,810.4	1,092.6	950.4
Equity					
Issued units	14	2,308.2	1,906.7	1,282.9	1,082.1
Reserves	15	(152.0)	(48.9)	(94.7)	(74.2)
Accumulated losses	16	(130.0)	(66.1)	(115.8)	(76.2)
Unitholders' interest		2,026.2	1,791.7	1,072.4	931.7
External non-controlling interests		20.2	18.7	20.2	18.7
Total equity		2,046.4	1,810.4	1,092.6	950.4
Attributable to unit holders of:					
Armstrong Jones Office Fund					
Issued units	14	1,025.3	824.6	-	-
Reserves	15	(57.3)	25.3	-	-
Retained earnings/(accumulated losses)	16	(14.2)	10.1	-	-
		953.8	860.0	-	-
Prime Credit Property Trust		1,072.4	931.7	1,072.4	931.7
External non-controlling interest		20.2	18.7	20.2	18.7
		2,046.4	1,810.4	1,092.6	950.4
Net tangible assets per unit		$0.74	$0.99	$0.39	$0.52

ING Office Fund
Consolidated cash flow statements
Year ended 30 June 2010

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
Cash flows from operating activities	25				
Rental and other property income		205.3	244.4	117.2	145.2
Property and other expenses		(63.9)	(75.7)	(40.9)	(52.9)
Proceeds from termination of derivatives		3.1	1.9	1.4	-
Payments on termination of derivatives		(56.8)	(73.0)	(20.2)	(58.9)
Distributions received from equity accounted investments		31.9	23.3	0.1	6.6
Interest received		6.0	7.3	0.4	1.3
Borrowing costs paid		(23.6)	(52.6)	(11.1)	(21.0)
		102.0	75.6	46.9	20.3
Cash flows from investing activities					
Additions to investment properties		(37.2)	(52.1)	(20.0)	(17.7)
Proceeds from sale of investment properties		164.8	-	164.8	-
Proceeds from sale of subsidiary, net of cash disposed	23	49.9	-	-	-
Repayment of loans to equity accounted investments		3.1	-	-	-
Loan to stapled entity		-	-	(209.5)	-
Loan repaid by stapled entity		-	-	-	161.0
		180.6	(52.1)	(64.7)	143.3
Cash flows from financing activities					
Proceeds from issue of units	14	415.2	414.5	207.6	207.2
Unit issue costs	14	(13.7)	(13.5)	(6.8)	(6.7)
Distributions to unitholders	3	(118.2)	(128.2)	(30.3)	(48.2)
Distributions to external non-controlling interests	3	(0.9)	(0.8)	(0.9)	(0.8)
Proceeds from borrowings		201.9	191.7	-	132.3
Repayment of borrowings		(751.8)	(499.9)	(139.0)	(459.0)
		(267.5)	(36.2)	30.6	(175.2)
Net increase/(decrease) in cash		15.1	(12.7)	12.8	(11.6)
Cash at the beginning of the year		18.8	31.3	8.9	21.1
Effects of exchange rate changes on cash		(5.1)	0.2	(3.2)	(0.6)
Cash at the end of the year		28.8	18.8	18.5	8.9

ING Office Fund
Consolidated statements of changes in equity
Year ended 30 June 2010

	Note	ING Office Fund Attributable to unitholders Issued Capital	Reserves	Retained earnings	Total	External non-controlling interests	Total Equity
		$m	$m	$m	$m	$m	$m
Carrying amounts at 1 July 2008		1,494.0	(48.7)	842.3	2,287.6	27.1	2,314.7
Net loss for the year		-	-	(764.2)	(764.2)	(14.2)	(778.4)
Other comprehensive income		-	(0.2)	-	(0.2)	5.8	5.6
Total comprehensive income for the year		-	(0.2)	(764.2)	(764.4)	(8.4)	(772.8)
Transactions with unitholders in their capacity as equity holders:							
Issue of units	14	413.1	-	-	413.1	0.8	413.9
Distributions paid or payable	3	(0.4)	-	(144.2)	(144.6)	(0.8)	(145.4)
		412.7	-	(144.2)	268.5	-	268.5
Carrying amounts at 30 June 2009		1,906.7	(48.9)	(66.1)	1,791.7	18.7	1,810.4
Net profit for the year		-	-	42.5	42.5	3.2	45.7
Other comprehensive income		-	(103.1)	-	(103.1)	(0.8)	(103.9)
Total comprehensive income for the year		-	(103.1)	42.5	(60.6)	2.4	(58.2)
Transactions with unitholders in their capacity as equity holders:							
Issue of units	14	401.5	-	-	401.5	-	401.5
Distributions paid or payable	3	-	-	(106.4)	(106.4)	(0.9)	(107.3)
		401.5	-	(106.4)	295.1	(0.9)	294.2
Carrying amounts at 30 June 2010		2,308.2	(152.0)	(130.0)	2,026.2	20.2	2,046.4

ING Office Fund
Consolidated statements of changes in equity
Year ended 30 June 2010

	Note	Prime Credit Property Trust Attributable to unitholders Issued Capital $m	Reserves $m	Retained earnings $m	Total $m	External non-controlling interests $m	Total Equity $m
Carrying amounts at 1 July 2008		875.6	(49.7)	431.8	1,257.7	27.1	1,284.8
Net loss for the year		-	-	(463.3)	(463.3)	(14.2)	(477.5)
Other comprehensive income		-	(24.5)	-	(24.5)	5.8	(18.7)
Total comprehensive income for the year		-	(24.5)	(463.3)	(487.8)	(8.4)	(496.2)
Transactions with unitholders in their capacity as equity holders:							
Issue of units	14	206.6	-	-	206.6	0.8	207.4
Distributions paid or payable	3	(0.1)	-	(44.7)	(44.8)	(0.8)	(45.6)
		206.5	-	(44.7)	161.8	-	161.8
Carrying amounts at 30 June 2009		1,082.1	(74.2)	(76.2)	931.7	18.7	950.4
Net profit for the year		-	-	5.4	5.4	3.2	8.6
Other comprehensive income		-	(20.5)	-	(20.5)	(0.8)	(21.3)
Total comprehensive income for the year		-	(20.5)	5.4	(15.1)	2.4	(12.7)
Transactions with unitholders in their capacity as equity holders:							
Issue of units	14	200.8	-	-	200.8	-	200.8
Distributions paid or payable	3	-	-	(45.0)	(45.0)	(0.9)	(45.9)
		200.8	-	(45.0)	155.8	(0.9)	154.9
Carrying amounts at 30 June 2010		1,282.9	(94.7)	(115.8)	1,072.4	20.2	1,092.6

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies

(a) The Group

The ING Office Fund (the “Group”) was formed on 1 January 2000 by the stapling of the units in two Australian registered schemes, Armstrong Jones Office Fund (the “Fund” or the “Parent”) and Prime Credit Property Trust (“Prime”) (collectively the “Trusts”). The Fund and Prime were constituted on 23 September 1984 and 12 October 1989, respectively.

The Responsible Entity for both Trusts is ING Management Limited. ING Management Limited is an Australian domiciled company and is a wholly owned company within the ING Groep NV group of companies.

The two Trusts have common business objectives and operate as an economic entity collectively known as ING Office Fund.

The stapling structure will cease to operate on the first to occur of:
(a) either of the Trusts resolving by special resolution in accordance with its constitution to terminate the stapling provisions; or
(b) the commencement of the winding up of either of the Trusts.

The Australian Securities Exchange reserves the right (but without limiting its absolute discretion) to remove one or both of the Trusts from the official list if any of their units cease to be stapled together, or any equity securities are issued by one Trust which are not stapled to equivalent securities in the other Trust.

(b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards ("AASB"), Australian Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (the “Board”) and the Corporations Act 2001.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and the Fund has been identified as the parent for preparing consolidated financial reports.

As permitted by Class Order 05/642, issued by the Australian Securities and Investments Commission, this financial report is a combined financial report that presents the financial statements and accompanying notes of both the ING Office Fund (being the consolidated financial statements and notes of the Fund) and Prime.

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial report is presented in Australian dollars.

The financial report is prepared on the historical cost basis, except for investment properties and derivative financial instruments, which are measured at fair value.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies (continued)

(c) Adoption of new and revised accounting standards

(i) Presentation of financial statements

The Group has applied the revised Accounting Standard AASB 101 *Presentation of Financial Statements* that became effective as of 1 July 2009. As a result, the Group presents in the statement of changes in unitholders' interest all owner changes in unitholders' interest, whilst all non-owner changes in unitholders' interest are presented in the statement of comprehensive income. Previously, the statement of changes in unitholders' interest included both owner and non-owner changes in unitholders' interest. Comparative information in this report has been amended accordingly. There was no impact on amounts recognised in the financial statements.

(ii) Business combinations

Before 1 July 2009, AASB Interpretation 1013 Conso*lidated Financial Reports in relation to Pre-Date-of-Transition Stapling Arrangements* provided guidance on how to account for the stapling arrangement identified in note 1(a) above. It allowed the consolidated financial report to be the combined financial report of the entities whose securities are stapled. From 1 July 2009, the revised AASB 3 *Business Combinations* supersedes AASB Interpretation 1013. As a result, the equity presentation in the consolidated financial statements of the Group has been changed. The underlying results attributable to stapled unitholders are not affected and the change is presentational only. Comparative financial information presented has been restated to be consistent with the current period disclosure.

(iii) Classification of derivatives

The Group has applied the amendments to Accounting Standard AASB 101 *Presentation of Financial Statements* made by AASB 2009-5 *Amendments to Australian Accounting Standards arising from the Annual Improvements Project*. Previously, derivatives were classified as current assets or current liabilities. With retrospective effect from 30 June 2009, derivative assets and liabilities are apportioned between current and non-current based on the contractual timing of expected cash flows. Amounts recognised in respect of cash flows that are contracted to occur up to twelve months after reporting date are classified as current, whilst amounts recognised in respect of cash flows that are contracted to occur more than twelve months after reporting date are classified as non-current.

The effect of this change is:

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Decrease in current assets & increase in non-current assets	6.8	-	0.2	-
Decrease in current liabilities & increase in non-current liabilities	20.0	32.5	11.1	17.3

(iv) Other changes

The Group has applied AASB 8 *Operating Segments* that is applicable from 1 July 2009. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. AASB 8 only caused presentation changes in the segment note. There was no impact on amounts recognised in the financial statements.

The Group has adopted certain amendments to AASB 7 *Financial Instruments: Disclosures* effective as of 1 July 2009. The amendments only affect certain of the disclosures given in note 19 Financial Instruments.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies (continued)

The Group has early adopted the amendments to Accounting Standard AASB 101 *Presentation of Financial Statements* made by AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project*. This amendment classifies the Board's intention that details of each item of other comprehensive income may be presented in the notes to the financial statements rather than the statement of changes in unitholders' interest. Without this amendment, details of each item of other comprehensive income would have had to be presented in that statement.

In the current year the Group has adopted all of the other new and revised standards and interpretations issued by the Board that are relevant to its operations and effective for the current annual reporting period. There was no material effect on the financial statements.

(d) Principles of consolidation

The Funds consolidated financial statements comprise the Parent and its subsidiaries (including Prime and its subsidiaries) as at 30 June 2010 (the "Group"). Prime's consolidated financial statements comprise Prime and its subsidiaries as at 30 June 2010 (the "Prime Group"). Subsidiaries are all those entities (including special purpose entities) whose financial and operating policies the Fund has the power to govern, which generally accompanies a shareholding of more than one-half of the voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent, using consistent accounting policies. Adjustments are made to bring into line dissimilar accounting policies. Inter-company balances and transactions including unrealised profits have been eliminated.

Subsidiaries are consolidated from the date on which control is transferred to the Parent. They are de-consolidated from the date that control ceases.

External non-controlling interests represent the interests in subsidiaries not held by the Group.

Investments in subsidiaries are carried at cost in the Parent's financial statements.

(e) Distribution policy

A liability for any distribution declared on or before the end of the reporting period is recognised on the balance sheet in the reporting period to which the distribution pertains.

(f) Foreign currency

(i) Functional and presentation currencies

The functional currency and presentation currency of the Group (with the exception of its foreign subsidiaries) is the Australian dollar.

(ii) Translation of foreign currency transactions

Transactions in foreign currency are initially recorded in the functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are retranslated at the rate of exchange prevailing at the balance date. All differences in the consolidated financial report are taken to the income statement with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment at which time they are recognised in the income statement.

A non-monetary item that is measured at fair value in a foreign currency is translated using the exchange rates at the date when the fair value was determined.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies (continued)

(iii) Translation of financial statements of foreign subsidiaries

The functional currency of certain subsidiaries is not the Australian dollar. At reporting date, the assets and liabilities of these entities are translated into the presentation currency of the Group at the rate of exchange prevailing at balance date. Financial performance is translated at the average exchange rate prevailing during the reporting period. The exchange differences arising on translation are taken directly to the foreign currency translation reserve in equity.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that foreign operation is recognised in the income statement.

(g) Leases

Leases where the lessor retains substantially all the risk and benefits of ownership are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the term of the lease on the same basis as the lease income. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the term of the lease.

Incentives may be provided to tenants to enter into an operating lease. These incentives may be in the form of cash, rent-free periods, lessee or lessor owned fit outs. The incentive is amortised over the term of the lease as a reduction in rental income. The unamortised carrying amount of the incentive is reflected in the carrying value of the investment property.

Leasing fees that are directly associated with the negotiation and execution of a lease agreement (including commissions, legal fees and costs of preparing and processing documentation) are capitalised as part of the carrying value of the property.

Leasing fees in relation to the initial leasing of the investment property after a redevelopment are capitalised to the carrying value of the property as a cost of bringing the investment property to completion and intended use.

(h) Financial assets and liabilities

Current and non-current financial assets and liabilities within the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as at fair value through profit or loss; loans and receivables; held-to-maturity investments; or as available-for-sale. The Group determines the classification of its financial assets and liabilities at initial recognition with the classification depending on the purpose for which the asset or liability was acquired or issued. Financial assets and liabilities are initially recognised at fair value, plus directly attributable transaction costs unless their classification is at fair value through profit or loss. They are subsequently measured at fair value or amortised cost using the effective interest method. Changes in fair value of available-for-sale financial assets are recorded directly in equity. Changes in fair values of financial assets and liabilities classified as fair value through profit or loss are recorded in the income statement.

The fair values of financial instruments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the balance sheet date. For those with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies (continued)

(i) Impairment of non-financial assets

Assets other than investment property and financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-financial assets that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet and cash flow statement comprise cash at bank and in hand and short-term deposits that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(k) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. An allowance for impairment is made when there is objective evidence that collection of the full amount is no longer probable.

(l) Derivative financial instruments

The Group uses derivative financial instruments such as foreign currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. The Group may also invest in derivatives related to listed property equities and indices and may issue derivatives related to its own units. Such derivative financial instruments are initially recognised at fair value on the date in which the derivative contract is entered into and are subsequently remeasured to fair value.

For hedge accounting, hedges are classified as fair value hedges when they hedge the exposure to changes in the fair value of a recognised asset or liability; cash flow hedges where they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction; or hedges of a net investment in a foreign operation.

Any gain or loss arising from measuring fair value hedges that meet the conditions for hedge accounting is recognised in the income statement. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the relevant financial instrument.

Any gain or loss arising on cash flow hedges which hedge firm commitments and which qualify for hedge accounting are recognised directly in equity. Amounts accumulated in equity are recycled in the income statement in the periods when the hedged item affects profit or loss.

Any gain or loss arising on hedges of a net investment in a foreign operation, which qualify for hedge accounting, are recognised directly in equity in foreign currency translation reserve. On disposal of the foreign operation, the cumulative amount of any such gains and losses is transferred to profit or loss.

For derivatives that do not meet the documentation requirements to qualify for hedge accounting and for the ineffective portion of qualifying hedges, any gains or losses arising from changes in fair value are recognised in the income statement.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies (continued)

Hedge accounting is discontinued when the hedge instrument expires, is sold, exercised, terminated or no longer deemed effective. Any cumulative gains or losses relating to the hedge that were previously recognised in equity are transferred to the income statement.

(m) Investment property

Land and buildings have the function of an investment and are regarded as composite assets. In accordance with applicable accounting standards, the buildings, including plant & equipment, are not depreciated.

It is the Group's policy to have all investment properties externally valued at intervals of not more than three years and that such valuation be reflected in the financial reports of the Group. It is the policy of the Responsible Entity to review the fair value of each investment property every six months and to cause investment properties to be revalued to fair values whenever their carrying value differs materially to their fair values.

Fair value represents the amount at which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction at the date of valuation. It is based on current prices in an active market for similar property in the same location and condition and subject to similar lease and other contracts, adjusted for any differences in the nature, location or condition of the property, or in the contractual terms of the leases and other contracts relating to the property.

In the absence of current prices in an active market, the Responsible Entity considers information from a variety of sources, including current prices in an active market for properties of different nature, condition or location, adjusted to reflect those differences, recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices, and discounted cash flow projections based on reliable estimates of future cash flows, using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

In determining fair values, expected net cash flows are discounted to their present value using a market determined risk adjusted discount rate. The assessment of fair value of investment properties does not take into account potential capital gains tax assessable. Changes in the fair value of an investment property are recorded in the income statement.

(n) Equity accounted investments

A jointly controlled entity is a joint venture that involves the establishment of a corporation, partnership or other entity in which each venturer has an interest. A contractual arrangement between the venturers establishes joint control over the economic activity of the entity. Associates are those entities over which the Group has significant influence, but not control. Jointly controlled entities and associates, and investments in those entities, are referred to as "equity accounted investments". Equity accounted investments are accounted for in the Parent's financial statements using the cost method and in the consolidated financial statements using the equity method. The Group's share of net profit is recognised in the consolidated income statement and its share of any movement in reserves is recognised in reserves in the consolidated balance sheet. The accumulation of post-acquisition movements in the Group's share of net assets is adjusted against the carrying value of the investment. Distributions received or receivable are recognised in the Parent's income statement and reduce the carrying value of the investment in the consolidated financial statements.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies (continued)

(o) Payables

Trade and other payables are carried at amortised cost and due to their short-term nature are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and are recognised when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days of recognition.

(p) Financial guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

(q) Borrowings

Borrowings are initially recorded at the fair value of the consideration received less directly attributable transaction costs associated with the borrowings. After initial recognition, borrowings are subsequently measured at amortised cost using the effective interest rate method. Under this method fees, costs, discounts and premiums that are yield related are included as part of the carrying amount of the borrowing and amortised over its expected life.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs are expensed as incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. When this is the case, they are capitalised as part of the acquisition cost of that asset.

(r) Issued units

Issued and paid up units are recognised at the fair value of the consideration received by the Group. Any transaction costs arising on issue of ordinary units are recognised directly in unitholders' interest as a reduction of the units proceeds received.

(s) Revenue

Revenue from rents, interest and distributions is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. Revenue brought to account but not received at the balance sheet date is recognised as a receivable.

Rental income from operating leases is recognised on a straight-line basis over the lease term. Contingent rentals are recognised as income in the financial year that they are earned. Fixed rental increases that do not represent direct compensation for underlying cost increases or capital expenditures are recognised on a straight-line basis until the next market review date.

Interest income is recognised as the interest accrues using the effective interest method.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies (continued)

(t) Income tax

(i) Current income tax

Under the current tax legislation, the Group is not liable to pay Australian income tax if its taxable income (including any assessable capital gains) is fully distributed to unitholders each year. Tax allowances for building and fixtures depreciation are distributed to unitholders in the form of the tax-deferred component of distributions.

The subsidiaries that hold the Group's foreign properties may be subject to corporate income tax and withholding tax in the countries in which they operate. Under current Australian income tax legislation, unitholders may be entitled to receive a foreign tax credit for this withholding tax.

(ii) Deferred income tax

Deferred income tax represents foreign tax (including withholding tax) expected to be payable or recoverable by foreign taxable entities on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised through continuing use or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Income taxes related to items recognised directly in equity are recognised in equity and not against income.

(u) Earnings per unit

Basic earnings per unit is calculated as net profit attributable to unitholders of the Group divided by the weighted average number of issued units.

As there are no potentially dilutive units on issue, diluted earnings per unit is the same as basic earnings per unit.

(v) Goods and services tax ("GST") and value added tax ("VAT")

Revenue, expenses and assets (with the exception of receivables) are recognised net of the amount of GST and VAT to the extent that the GST and VAT is recoverable from the taxation authority. Where GST or VAT is not recoverable, it is recognised as part of the cost of the acquisition, or as an expense.

Receivables and payables are stated inclusive of GST and VAT. The net amount of GST and VAT recoverable from or payable to the tax authority is included in the balance sheet as an asset or liability.

Cash flows are included in the cash flow statement on a gross basis. The GST and VAT components of cash flows arising from investing and financing activities, which are recoverable from or payable to the tax authorities, are classified as operating cash flows.

(w) Pending Accounting Standards

AASB 2009-5 *Further Amendments to Australian Accounting Standards Arising from the Annual Improvements Project* amended AASB 117 *Leases* with effect from 1 July 2010. The amendment removed the specific guidance on the classification of leases of land, leaving only the general guidance. The Group leases the land on which one of its investment properties is built; the lease has a remaining term of 94 years and future minimum lease rentals payable as of 1 July 2010 of $147.5m. Because of the amendment, the Group will classify the lease as a finance lease at that date and recognise a borrowing for the finance lease payable, and an investment property, measured at the fair value of the land. The difference between that fair value and the minimum lease rentals will be recognised as interest expense over the remaining term of the lease.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

1. Summary of significant accounting policies (continued)

AASB 9 *Financial Instruments* and AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* address the classification and measurement of financial assets and are likely to affect the Group's accounting for its financial assets. The standards are not applicable until 1 July 2013. The Group is yet to assess the full impact.

Other new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for the current reporting period. These are not expected to have any material impact on the Fund's financial report in future reporting periods.

2. Accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires the Responsible Entity to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

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

The Group had investment properties with a carrying amount of $1,923.8 million (Prime Group: $1,033.3 million) (2009: Group $2,196.1 million; Prime Group $1,236.5 million) (see note 9), representing estimated fair value. In addition, the carrying amount of the Group's equity accounted investments of $510.4 million (Prime Group: $99.2 million) (2009: Group $656.4 million; Prime Group: $111.1 million) (see note 10(b)) also reflects investment properties carried at fair value. These carrying amounts reflect certain assumptions about expected future rentals, rent-free periods, operating costs and appropriate discount and capitalisation rates. In forming these assumptions, the Responsible Entity considered information about current and recent sales activity, current market rents, and discount and capitalisation rates, for properties similar to those owned by the Group, as well as independent valuations of the Group's property.

(b) Critical judgements in applying the entity's accounting policies

There were no judgements, apart from those involving estimations, that management has made in the process of applying the entity's accounting policies that had a significant effect on the amounts recognised in the financial report.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

3. Distributions

	ING Office Fund		Prime Credit Property Trust	
	2010	2009	2010	2009
(a) Rates and amounts of distributions				
	Cents	Cents	Cents	Cents
Distributions have been paid or are payable in respect of the following periods at the following rates (in cents per unit):				
Quarter ended 30 September	0.975	2.700	0.673	0.837
Quarter ended 31 December	0.975	2.700	-	0.837
Quarter ended 31 March	0.975	2.125	-	0.659
Quarter ended 30 June	0.975	2.125	0.975	0.659
	3.900	9.650	1.648	2.992
	$m	$m	$m	$m
The total amounts of these distributions were:				
Quarter ended 30 September	26.6	34.1	18.4	10.6
Quarter ended 31 December	26.6	34.1	-	10.6
Quarter ended 31 March	26.6	38.0	-	11.7
Quarter ended 30 June	26.6	38.4	26.6	11.9
	106.4	144.6	45.0	44.8
Distributions to external non-controlling interest	0.9	0.8	0.9	0.8
Total distributions paid or payable	107.3	145.4	45.9	45.6

The distribution for the quarter ended 30 June 2009 was recognised in the 2009 financial year and paid on 31 August 2009. The distribution for the quarter ended 30 June 2010 was recognised in the 2010 financial year and will be paid on 31 August 2010.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

4. Earnings per unit

	ING Office Fund		Prime Credit Property Trust	
	2010	2009	2010	2009
(a) Per stapled unit				
Profit/(loss) attributable to unitholders ($ million)	42.5	(764.2)	na	na
Weighted average number of units outstanding (millions)	2,707.0	1,534.8	na	na
Basic and diluted earnings per unit (cents)	1.6	(49.8)	na	na
(b) Per unit of each Trust				
Profit/(loss) attributable to unitholders ($ million)	37.1	(300.9)	5.4	(463.3)
Weighted average number of units outstanding (millions)	2,707.0	1,534.8	2,707.0	1,534.8
Basic and diluted earning per unit (cents)	1.4	(19.6)	0.2	(30.2)

5. Income tax expense

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
(a) Income tax benefit					
Current tax		2.5	(0.1)	(0.8)	0.9
Increase/(decrease) in deferred tax liabilities	13	(9.0)	(71.3)	0.7	(70.6)
		(6.5)	(71.4)	(0.1)	(69.7)
(b) Reconciliation between tax expense and pre-tax net profit					
Profit/(loss) before income tax		39.2	(849.8)	8.5	(547.2)
Income tax at the Australian tax rate of 30% (2009: 30%)		11.8	(254.9)	2.6	(164.2)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:					
Australian income		(14.6)	130.9	(0.8)	65.3
Other non-taxable income		(4.3)	23.4	(4.1)	-
Difference between Australian and foreign tax rates		1.0	19.3	1.3	19.3
Movement in deferred tax assets not recognised		(0.4)	9.9	0.9	9.9
Income tax benefit		(6.5)	(71.4)	(0.1)	(69.7)

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

6. Cash and cash equivalents

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
Cash at bank and in hand	19	26.0	15.8	17.7	7.1
Short term deposits	19	2.8	3.0	0.8	1.8
		28.8	18.8	18.5	8.9

7. Trade and other receivables

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
Current	19				
Rental and other amounts due (1)		5.6	7.5	3.1	2.8
Receivables from equity accounted investments	21	0.9	1.6	0.7	0.7
Allowance for impairment loss		(0.3)	(0.3)	(0.2)	(0.1)
Accrued income, prepayments and deposits		0.3	0.4	0.2	0.1
		6.5	9.2	3.8	3.5
Non-current	19				
Loan to equity accounted investments	21	73.4	87.7	-	-
Loan to stapled entity (2)		-	-	198.6	-
		73.4	87.7	198.6	-

(1) Rental and other amounts due are receivable within 30 days.

(2) The loan to Armstrong Jones Office Fund is interest free and payable on demand.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

8. Derivatives

	Note	ING Office Fund 2010 $m	ING Office Fund 2009 $m	Prime Credit Property Trust 2010 $m	Prime Credit Property Trust 2009 $m
Current assets	19				
Forward foreign exchange contracts		3.4	0.7	0.6	0.7
Non-current assets	19				
Forward foreign exchange contracts		6.8	-	0.2	-
Current liabilities	19				
Forward foreign exchange contracts		-	3.8	-	-
Interest rate swap contracts		5.1	20.8	-	2.8
		5.1	24.6	-	2.8
Non-current liabilities	19				
Forward foreign exchange contracts		0.3	-	0.3	-
Interest rate swap contracts		19.7	32.5	10.8	17.3
		20.0	32.5	11.1	17.3

9. Investment properties

(a) Summary of carrying amounts

	ING Office Fund 2010 $m	ING Office Fund 2009 $m	Prime Credit Property Trust 2010 $m	Prime Credit Property Trust 2009 $m
Current	-	37.9	-	37.9
Non-current	1,923.8	2,158.2	1,033.3	1,198.6
	1,923.8	2,196.1	1,033.3	1,236.5

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

9. Investment properties (continued)

(b) Individual valuations and carrying amounts

Property	Date of purchase	Cost to date	Latest external valuation		Carrying amount		Capitalisation rate		Discount rate	
			Date	Valuation	2010	2009	2010	2009	2010	2009
		$m		$m	$m	$m	%	%	%	%
Current - Prime Credit Property Trust [1]										
412 St Kilda Rd										
Melbourne Vic	Jun 96	-	-	-	-	37.9	-	8.5%	-	9.5%
		-		-	-	37.9	-	8.5%	-	9.5%
Non-current										
Armstrong Jones Office Fund										
10-20 Bond St										
Sydney NSW [5]	Jun 89	366.1	Dec 09	85.0	96.5	109.0	7.5%	7.3%	9.3%	9.3%
Hitachi Complex										
Brisbane Qld	Jul 98	120.7	Jun 10	178.5	178.5	188.5	8.8%	8.5%	9.5%	9.5%
347 Kent St										
Sydney NSW	Jan 99	190.0	Jun 10	250.0	250.0	244.0	6.8%	6.8%	9.0%	9.0%
Times Square										
16-18 Mort St Canberra ACT	Mar 01	57.3	Dec 09	48.1	45.4	48.1	9.0%	9.5%	9.8%	9.5%
QBE House										
628 Bourke St Melbourne Vic	Oct 01	80.1	Dec 09	82.6	82.6	85.0	8.5%	8.8%	9.5%	9.8%
Wellington Central										
Perth WA	Sep 07	83.9	Jun 10	62.5	62.5	60.0	8.5%	8.8%	9.8%	9.8%
NRMA Centre										
388 George St Sydney NSW	Oct 02	158.6	Jun 10	175.0	175.0	170.5	7.0%	7.0%	9.0%	9.0%

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

9. Investment properties (continued)

Property	Date of purchase	Cost to date $m	Latest external valuation Date	Latest external valuation Valuation $m	Carrying amount 2010 $m	Carrying amount 2009 $m	Capitalisation rate 2010 %	Capitalisation rate 2009 %	Discount rate 2010 %	Discount rate 2009 %
Budejovicka Alej Prague Czech Republic	Jun 06	-	-	-	-	54.5	-	6.8%	-	9.8%
		1,056.7		881.7	890.5	959.6	7.7%	7.7%	9.3%	9.3%
Prime Credit Property Trust										
990 Whitehorse Rd Box Hill Vic	Jun 92	-	-	-	-	42.5	-	9.0%	-	9.5%
Royal Mint Centre 383 Latrobe St Melbourne Vic	Feb 94	33.7	Jun 10	47.5	47.5	47.2	9.5%	9.0%	9.8%	9.8%
1230 Nepean Hwy Cheltenham Vic	Jul 94	38.6	Dec 09	21.5	21.5	22.7	9.3%	9.0%	9.8%	9.3%
Coles Group Headquarters 800 Toorak Rd Tooronga Vic	Jun 97	61.4	Jun 10	60.0	60.0	61.8	8.8%	8.0%	9.3%	9.3%
Australian Government Centre Brisbane Qld	May 98	147.4	Dec 09	246.0	255.0	263.0	8.6%	8.5%	9.4%	9.3%
Campus MLC 105-151 Miller St North Sydney NSW	Dec 98	116.2	Jun 10	141.0	141.0	149.0	8.3%	7.8%	9.5%	9.0%
151 Clarence St Sydney NSW	Nov 02	59.6	Jun 10	76.5	76.5	74.8	8.0%	8.3%	9.3%	9.3%
111 Pacific Hwy North Sydney NSW	May 04	113.5	Dec 09	102.7	103.7	108.8	8.3%	8.0%	9.8%	9.3%

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

9. Investment properties (continued)

Property	Date of purchase	Cost to date	Latest external valuation		Carrying amount		Capitalisation rate		Discount rate	
			Date	Valuation	2010	2009	2010	2009	2010	2009
		$m		$m	$m	$m	%	%	%	%
Computer Associates Plaza										
Plano Texas USA	Aug 04	66.5	Jun 09	49.8	42.1	51.9	8.5%	9.0%	9.0%	9.5%
Noblis Headquarters										
Falls Church Wash DC USA	Aug 04	-	-	-	-	89.3	-	7.9%	-	8.5%
Homer Building										
601 13th St Wash DC USA	May 05 (6)	280.3	Dec 09	277.2	286.0	287.6	7.1%	7.1%	8.0%	8.0%
		917.2		1,022.2	1,033.3	1,198.6	8.1%	8.0%	9.1%	8.9%
		1,973.9		1,903.9	1,923.8	2,158.2	7.9%	7.9%	9.1%	9.1%
Total investment properties		1,973.9		1,903.9	1,923.8	2,196.1	7.9%	7.9%	9.1%	9.1%

(1) Investment properties that are held for sale and are expected to be realised within twelve months after the reporting date are classified as current.

(2) Investment property that has not been valued by external valuers at reporting date is carried at the Responsible Entity's estimate of fair value in accordance with the accounting policy detailed at note 1(m). The cost of a property acquired during the year approximates its fair value.

(3) Valuations made in a foreign currency have been converted at the rate of exchange ruling at reporting date.

(4) Weighted average capitalisation and discount rates exclude properties for which no rate is cited.

(5) Tenants occupying approximately 80% of 10-20 Bond Street vacated at the end of December 2009. Assumptions included in the determination of the fair value of this property include re-leasing in three equal stages commencing in January 2011 and completing in June 2012.

(6) An additional 30% interest in the partnership owning this property was acquired in November 2005.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

9. Investment properties (continued)

(c) Movements in carrying amounts

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Completed investment property				
Carrying amount at beginning of year	2,196.1	2,481.5	1,236.5	1,432.9
Exchange rate fluctuations	(22.9)	105.6	(21.8)	101.2
Additions to existing property	42.0	25.4	22.2	17.1
Transferred from property under construction	-	82.7	-	-
Disposals	(214.7)	-	(161.3)	-
Amortisation of tenant incentives	(6.7)	(8.5)	(5.9)	(7.1)
Straight line lease revenue recognition	3.6	4.1	0.9	2.7
Net change in fair value	(73.6)	(494.7)	(37.3)	(310.3)
Carrying amount at end of year	1,923.8	2,196.1	1,033.3	1,236.5
Property under construction				
Carrying amount at beginning of year	-	56.3	-	-
Additions	-	26.4	-	-
Transferred to investment property	-	(82.7)	-	-
Carrying amount at end of year	-	-	-	-

(d) Tenant incentives and leasing commissions

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Cost	64.0	59.5	54.8	52.9
Accumulated amortisation	(24.9)	(17.3)	(21.5)	(14.8)
	39.1	42.2	33.3	38.1

(e) Leasing arrangements

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Within one year	146.7	191.4	79.0	124.6
Later than one year but not later than five years	491.1	500.4	209.6	308.5
Later than five years	208.9	324.2	71.6	125.6
	846.7	1,016.0	360.2	558.7

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

10. Equity accounted investments

(a) Details of investments

Name	Principal activity	Ownership interest 2010	Ownership interest 2009
Armstrong Jones Office Fund			
DOF Master Fund CV [(1)]	Real estate investment	13.4%	13.4%
DOF Master Fund CVII [(1)]	Real estate investment	13.4%	13.4%
DOF Development Fund CV [(1)]	Real estate investment	13.4%	13.4%
ING Reboi SA	Real estate investment	50.0%	50.0%
Neuilly Victor Hugo	Real estate investment	50.0%	50.0%
Prime Credit Property Trust			
2980 Fairview Park LLC	Real estate investment	50.0%	50.0%
900 Third Avenue LP [(2)]	Real estate investment	49.0%	49.0%
Waltham Winter Street group	Real estate investment	50.0%	50.0%

(1) This investment is equity accounted because the Group retains significant influence by reason of its participation in policy-making processes, particularly decisions about financing and distributions.

(2) The loan to value ratio on this property level facility is greater than the percentage specified by the loan agreement, however this does not constitute an event of default. The loan agreement allows for a twelve-month cure period from the test date of November 2009 to reduce the loan to value ratio, that is, November 2010. Terms have been agreed with the debt providers for waiver of the loan to value ratio covenant until March 2012.

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
(b) Share of assets and liabilities				
Total assets	910.3	1,091.1	274.2	289.5
Total liabilities	(399.9)	(434.7)	(175.0)	(178.4)
Net assets	510.4	656.4	99.2	111.1
(c) Share of results				
Revenue	88.5	107.3	29.1	40.3
Gain/(loss) on change in fair value of:				
Investment properties	(49.8)	(301.0)	(6.7)	(208.1)
Derivatives	(6.7)	(17.6)	(5.4)	(13.2)
Expenses	(54.9)	(65.2)	(23.8)	(28.2)
Loss before income tax	(22.9)	(276.5)	(6.8)	(209.2)
Income tax benefit/(expense)	(0.1)	2.2	-	-
Loss for the year	(23.0)	(274.3)	(6.8)	(209.2)

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

11. Payables

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
Current liabilities					
Trade payables		17.6	14.8	12.0	12.3
Payables to equity accounted investments	21	5.9	4.4	-	-
Loan from stapled entity (1)		-	-	-	11.0
Other payables		6.4	4.2	2.6	-
		29.9	23.4	14.6	23.3
Non-current liabilities					
Other payables		-	0.7	-	-

(1) The loan from Armstrong Jones Office Fund is interest free and payable on demand.

12. Borrowings

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
Non-current liabilities					
Syndicated bank debt	(a)	215.8	768.8	-	138.5
Other external debt	(b)	186.8	233.8	186.8	193.9
		402.6	1,002.6	186.8	332.4

(a) Bank debt

The syndicated bank debt had two tranches: the first had a limit of $570.0 million expiring in June 2010, and the second has a limit of $855.0 million expiring in June 2012. The first Tranche was cancelled during the year. The undrawn facility at 30 June 2010 was $638.8 million (2009: $86.2 million) for the remaining tranche. The borrowing at reporting date was $26.6 million denominated in Australian dollars and $189.2 million denominated in Euros (2009: $147.6 million and $621.2 million respectively). Prime Group borrowings under the syndicated bank debt was nil at reporting date (2009: $138.5 million denominated in Australian dollars).

The facility has a number of market standard terms and conditions including a negative pledge and undertakings that include the maintenance of the following financial ratios:
(i) total look-through liabilities will not exceed 50% of look-through total tangible assets; and
(ii) earnings before borrowing costs and taxation will not be less than 2.5 times borrowing costs.

(b) Other external debt

This formerly comprised two loans. The liability under the first loan at reporting date was nil (2009: $39.9 million), denominated in Euros. The subsidiary that is the borrower was sold on 11 August 2009.

The liability under the other loan was $186.8 million (2009: $193.9 million), including minority interest share, denominated in United States dollars. The Homer Building in Washington, DC that is pledged as security for this loan had a carrying amount at reporting date of $286.0 million (2009: $287.6 million), including minority interest share. This loan matures in January 2012.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

13. Deferred tax

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
The balance comprises temporary differences attributable to investment properties	22.5	36.3	22.5	22.6
Deferred tax (benefit)/expense recognised in the income statement in respect of deferred tax liabilities is attributable to temporary differences arising from investment properties	(9.0)	(71.3)	0.7	(70.6)
Deductible temporary differences for which no deferred tax asset has been recognised	47.2	31.7	47.2	31.7
Potential tax benefit	7.1	4.8	7.1	4.8

14. Issued units

(a) Carrying amounts

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $m	2009 $m	2010 $m	2009 $m
At beginning of year		1,906.7	1,494.0	1,082.1	875.6
Issued during the year:					
Placements and rights issues		415.2	414.5	207.6	207.2
Distribution reinvestment plan		-	12.1	-	6.1
Unit issue costs		(13.7)	(13.5)	(6.8)	(6.7)
Transfer to retained profits	(d)	-	(0.4)	-	(0.1)
At end of year		2,308.2	1,906.7	1,282.9	1,082.1
The closing balance is attributable to the unitholders of:					
Armstrong Jones Office Fund		1,025.3	824.6	-	-
Prime Credit Property Trust		1,282.9	1,082.1	1,282.9	1,082.1
		2,308.2	1,906.7	1,282.9	1,082.1

(b) Number of issued units

	ING Office Fund		Prime Credit Property Trust	
	2010 millions	2009 millions	2010 millions	2009 millions
At beginning of year	1,806.5	1,263.3	1,806.5	1,263.3
Issued during the year:				
Placements and rights issues	922.6	518.1	922.6	518.1
Distribution reinvestment plan	-	25.1	-	25.1
At beginning and end of year	2,729.1	1,806.5	2,729.1	1,806.5

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

14. Issued units (continued)

(c) Terms of units

All units are fully paid and rank equally with each other for all purposes. Each unit entitles the holder to one vote, in person or by proxy, at a meeting of unitholders.

(d) Transfer to retained profits

The transfer to retained profits represents the portion of distributions paid to holders of new units for that part of the period to which the distribution relates that occurred before the issue of the units.

15. Reserves

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Foreign currency translation				
Balance at beginning of year	(46.2)	(48.7)	(74.2)	(49.7)
Translation differences arising during the year	(103.0)	2.5	(20.5)	(24.5)
Balance at end of year	(149.2)	(46.2)	(94.7)	(74.2)
Share of reserve for net loss on cash flow hedge held by equity accounted investment				
Balance at beginning of year	(2.7)	-	-	-
Transfer to reserve	(0.1)	(2.7)	-	-
Balance at end of year	(2.8)	(2.7)	-	-
Total reserves at end of year	(152.0)	(48.9)	(94.7)	(74.2)
The closing balance is attributable to the unitholders of:				
Armstrong Jones Office Fund	(57.3)	25.3	-	-
Prime Credit Property Trust	(94.7)	(74.2)	(94.7)	(74.2)
	(152.0)	(48.9)	(94.7)	(74.2)

The foreign currency translation reserve records exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record the effect of hedging net investments in foreign operations.

The share of reserve for net loss on cash flow hedge held by equity accounted investments is used to record the Group's share of the equity accounted investment's loss on a hedge instrument in a cash flow hedge that is determined to be an effective hedge.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

16. Retained earnings

	Note	ING Office Fund 2010 $m	ING Office Fund 2009 $m	Prime Credit Property Trust 2010 $m	Prime Credit Property Trust 2009 $m
Balance at beginning of year		(66.1)	842.3	(76.2)	431.8
Net profit/(loss) for the year		42.5	(764.2)	5.4	(463.3)
Transfer from issued units	14	-	0.4	-	0.1
Distributions paid or payable	3	(106.4)	(144.6)	(45.0)	(44.8)
Balance at end of year		(130.0)	(66.1)	(115.8)	(76.2)

17. Commitments

Commitments for capital expenditure on investment property contracted but not provided for at reporting date were payable as follows:

	ING Office Fund 2010 $m	ING Office Fund 2009 $m	Prime Credit Property Trust 2010 $m	Prime Credit Property Trust 2009 $m
Within one year	56.3	24.5	29.8	17.6
Later than one year but not later than five years	10.7	5.4	10.7	4.2
Later than five years	-	0.5	-	0.5
	67.0	30.4	40.5	22.3

The Group leases the land on which one of its investment properties is built; the lease has a remaining term of 94 years.

Future minimum rental payments under the non-cancellable operating lease at reporting date were:

	2010 $m	2009 $m
Within one year	1.6	1.6
Later than one year but not later than five years	6.3	6.3
Later than five years	139.6	141.2
	147.5	149.1

18. Capital management

The Group aims to meet its strategic objectives and operational needs and to maximise returns to unitholders through the appropriate use of debt and equity, while taking account of the additional financial risks of higher debt levels.

In determining the optimal capital structure, the Group takes into account a number of factors, including the views of investors and the market in general, the capital needs of its portfolio, the relative cost of debt versus equity, the execution risk of raising equity or debt, and the additional financial risks of debt including increased volatility of earnings due to exposure to interest rate movements, the liquidity risk of maturing debt facilities and the potential for acceleration prior to maturity.

In assessing this risk, the Group takes into account the relative security of its income flows, the predictability of its expenses, its debt profile, the degree of hedging and the overall level of debt as measured by gearing.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

18. Capital management (continued)

The actual capital structure at a point in time is the product of a number of factors, many of which are market driven and to various degrees outside of the control of the Group, particularly the impact of revaluations on gearing levels, the availability of new equity and the liquidity in real estate markets. While the Group periodically determines the optimal capital structure, the ability to achieve the optimal structure may be impacted by market conditions and the actual position may often differ from the optimal position. The Group's capital position is primarily monitored through its ratio of total liabilities to total assets ("Leverage Ratio"), calculated on a look-through basis, in which the Group's interest in its joint ventures and associates are proportionately consolidated based on the Group's ownership interest. The Group's medium term strategy is to maintain the Leverage Ratio in the range of 25% to 35%. At 30 June 2010, the Leverage Ratio was 28.8%, compared to 45.3% at 30 June 2009, calculated as follows:

	ING Office Fund	
	2010	**2009**
	$m	**$m**
Total consolidated liabilities	506.7	1,158.5
Plus share of liabilities of equity accounted investments	399.9	434.7
Less elimination of receivables from and payables to equity accounted investments	(80.2)	(93.7)
Total look-through liabilities	826.4	1,499.5
Total consoldiated assets	2,553.1	2,968.9
Less equity accounted investments	(510.4)	(656.4)
Plus share of assets of equity accounted investments	910.3	1,091.1
Less elimination of receivables from and payables to equity accounted investments	(80.2)	(93.7)
Total look-through assets	2,872.8	3,309.9
Leverage ratio	28.8%	45.3%

In addition, the Group monitors the ratio of debt to total assets ("Gearing Ratio"), calculated on a proportional consolidation basis. At 30 June 2010, the gearing ratio was 23.2%, compared to 39.2% at 30 June 2009, calculated as follows:

	ING Office Fund	
	2010	**2009**
	$m	**$m**
Total consolidated borrowings	402.6	1,002.6
Plus share of debt of equity accounted investments	289.3	309.8
Less non-controlling interest share of property level debt	(37.6)	(38.8)
Net look-through debt	654.3	1,273.6
Total consolidated assets	2,553.1	2,968.9
Less equity accounted investments	(510.4)	(656.4)
Plus share of assets of equity accounted investments	910.3	1,091.1
Less non-controlling interest in assets	(57.4)	(57.5)
Less elimination of receivables from and payables to equity accounted investments	(80.2)	(93.7)
Total look-through assets	2,815.4	3,252.4
Gearing ratio	23.2%	39.2%

As part of a stapled entity, the Prime Group's capital is not separately managed. Any capital changes for the Group may result in consequential changes for the Prime Group.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments

(a) Introduction

The Group's principal financial instruments comprise receivables, payables, interest bearing liabilities, other financial liabilities, cash and short-term deposits and derivative financial instruments.

The main risks arising from the Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. The Group manages its exposure to these risks primarily through its Treasury Policy. The policy sets out various targets aimed at restricting the financial risk taken by the Group. Management reviews actual positions of the Group against these targets on a regular basis. If the target is not achieved, or forecast not to be achieved, a plan of action is, where appropriate, put in place with the aim of meeting the target within an agreed timeframe. Depending on the circumstances of the Group at a point in time, it may be that positions outside of the Treasury Policy are accepted and no plan of action is put in place to meet the Treasury targets, because, for example, the risks associated with bringing the Group into compliance outweigh the benefits. The adequacy of the Treasury Policy in addressing the risks arising from the Group's financial instruments is reviewed on a regular basis.

While the Group aims to meet its Treasury Policy targets, many factors influence their performance, and it is probable that at any one time it will not meet all its targets. For example, the Group may be unable to negotiate the extension of bank facilities sufficiently ahead of time, so that it fails to achieve its liquidity target. When refinancing loans it may be unable to achieve the desired maturity profile or the desired level of flexibility of financial covenants, because of the cost of such terms or their unavailability. Hedging instruments may not be available, or their cost may outweigh the benefit of risk reduction or they may introduce other risks such as mark to market risk. Changes in market conditions may limit the Group's ability to raise capital through the issue of units or sale of properties.

The main risks arising from the Prime Group's financial instruments are interest rate risk, foreign exchange risk, credit risk and liquidity risk. As part of a stapled entity, these risks are not separately managed. Management of these risks for the Group may result in consequential changes for the Prime Group.

(b) Interest rate risk

The Group's exposure to the risk of changes in market interest rates arises primarily from their use of borrowings. The main consequence of adverse changes in market interest rates is higher interest costs, reducing the Group's profits. In addition, one or more of the Group's loan agreements may include minimum interest cover covenants. Higher interest costs resulting from increases in market interest rates may result in these covenants being breached, providing the lender the right to call in the loan or to increase the interest rate applied to the loan.

The Group manages the risk of changes in market interest rates by maintaining an appropriate mix of fixed and floating rate borrowings. Fixed rate debt is achieved either through fixed rate debt funding or through derivative financial instruments permitted under the Treasury Policy. The policy sets minimum and maximum levels of fixed rate exposure over a ten-year time horizon.

As part of a stapled entity, the Prime Group's interest rate risk is not separately managed. Management of this risk for the Group may result in consequential changes for the Prime Group.

At 30 June 2010, after taking into account the effect of interest rate swaps, approximately 93% of the Group's borrowings are at a fixed rate of interest (30 June 2009: 87%) (Prime Group: 100%; 30 June 2009: 58%).

Exposure to changes in market interest rates also arises from financial assets such as cash deposits and loan receivables subject to floating interest rate terms. Changes in market interest rates will also change the fair value of any interest rate hedges.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

(c) Interest rate risk exposure

The Group's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date was:

30 June 2010	ING Office Fund				
	Floating interest rate	Fixed interest maturing in: Less than 1 year	1 to 5 years	More than 5 years	Total
Principal amounts $m					
Financial assets					
Cash at bank	26.0	-	-	-	26.0
Short term deposits	2.8	-	-	-	2.8
Loans to equity accounted investments	-	-	-	73.4	73.4
Financial liabilities					
Bank debt denominated in AUD	26.6	-		-	26.6
Bank debt denominated in €	189.2	-	-	-	189.2
Other external debt denominated in USD	-	-	186.8	-	186.8
Interest rate swaps:					
- denominated in USD; Groups pay fixed rate (1)	(118.9)	-	118.9	-	-
- denominated in €; Groups pay fixed rate	(189.2)	-	189.2	-	-
Weighted average interest rates					
Financial assets					
Cash at bank	3.5%	-	-	-	na
Short term deposits	4.5%	-	-	-	na
Loans to equity accounted investments	-	-	-	6.0%	na
Financial liabilities					
Bank debt denominated in AUD	5.3%	-	-	-	na
Bank debt denominated in €	1.3%	-	-	-	na
Other external debt denominated in USD	-	-	5.4%	-	na
Interest rate swaps:					
- denominated in USD; Fund pays fixed rate	0.5%	-	4.7%	-	na
- denominated in €; Fund pays fixed rate	0.8%	-	3.9%	-	na

(1) This is a forward start interest rate swap for 100 million United States dollars commencing on 19 February 2012 for a term of seven years at a fixed rate of 4.67%.

Other financial instruments of the Group not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

The Group's exposure to interest rate risk and the effective interest rates on financial instruments at the end of the previous financial year was:

30 June 2009	ING Office Fund				
	Floating interest rate	Fixed interest maturing in: Less than 1 year	1 to 5 years	More than 5 years	Total
Principal amounts $m					
Financial assets					
Cash at bank	15.8	-	-	-	15.8
Short term deposits	3.0	-	-	-	3.0
Loans to equity accounted investments	-	-	-	87.7	87.7
Financial liabilities					
Bank debt denominated in AUD	147.6	-	-	-	147.6
Bank debt denominated in €	621.2	-	-	-	621.2
Other external debt denominated in USD	-	-	193.9	-	193.9
Other external debt denominated in €	39.9	-	-	-	39.9
Interest rate swaps:					
- denominated in USD; Groups pay fixed rate [(1)]	(241.8)	-	241.8	-	-
- denominated in €; Groups pay fixed rate	(678.2)	-	678.2	-	-
Weighted average interest rates					
Financial assets					
Cash at bank	2.7%	-	-	-	na
Short term deposits	3.0%	-	-	-	na
Loans to equity accounted investments	-	-	-	6.0%	na
Financial liabilities					
Bank debt denominated in AUD	3.8%	-	-	-	na
Bank debt denominated in €	1.3%	-	-	-	na
Other external debt denominated in USD	-	-	5.4%	-	na
Other external debt denominated in €	1.1%	-	-	-	na
Interest rate swaps:					
- denominated in USD; Fund pays fixed rate	0.6%	-	4.8%	-	na
- denominated in €; Fund pays fixed rate	1.1%	-	3.9%	-	na

(1) This was made up of two forward start interest rate swaps, the first is for 95 million United States dollars commencing on 19 August 2009 for a term of five years at a fixed rate of 4.99%, the second is for 100 million United States dollars commencing on 19 May 2010 for a term of seven years at a fixed rate of 4.67%.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

The Prime Group's exposure to interest rate risk and the effective interest rates on financial instruments at reporting date was:

30 June 2010	**Prime Credit Property Trust**				
	Floating interest rate	**Fixed interest maturing in: Less than 1 year**	**1 to 5 years**	**More than 5 years**	**Total**
Principal amounts $m					
Financial assets					
Cash at bank	17.7	-	-	-	17.7
Short term deposits	0.8	-	-	-	0.8
Financial liabilities					
Other external debt denominated in USD	-	-	186.8	-	186.8
Interest rate swaps:					
- denominated in USD; Group pays fixed rate (1)	(118.9)	-	118.9	-	-
Weighted average interest rates					
Financial assets					
Cash at bank	3.9%	-	-	-	na
Short term deposits	4.5%	-	-	-	na
Financial liabilities					
Other external debt denominated in USD	-	-	5.4%	-	na
Interest rate swaps:					
- denominated in USD; Fund pays fixed rate	0.5%	-	4.7%	-	na

(1) This is a forward start interest rate swap for 100 million United States dollars commencing on 19 February 2012 for a term of seven years at a fixed rate of 4.67%.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

The Prime Group's exposure to interest rate risk and the effective interest rates on financial instruments at the end of the previous financial year was:

30 June 2009	Floating interest rate	Prime Credit Property Trust Fixed interest maturing in: Less than 1 year	1 to 5 years	More than 5 years	Total
Principal amounts $m					
Financial assets					
Cash at bank	7.1	-	-	-	7.1
Short term deposits	1.8	-	-	-	1.8
Financial liabilities					
Bank debt denominated in AUD	138.5	-	-	-	138.5
Other external debt denominated in USD	-	-	193.9	-	193.9
Interest rate swaps:					
- denominated in USD; Group pays fixed rate (1)	(241.8)	-	241.8	-	-
Weighted average interest rates					
Financial assets					
Cash at bank	2.7%	-	-	-	na
Short term deposits	3.0%	-	-	-	na
Financial liabilities					
Bank debt denominated in AUD	3.8%	-	-	-	na
Other external debt denominated in USD	-	-	5.4%	-	na
Interest rate swaps:					
- denominated in USD; Fund pays fixed rate	-	-	4.8%	-	na

(1) This was made up of two forward start interest rate swaps, the first is for 95 million United States dollars commencing on 19 August 2009 for a term of five years at a fixed rate of 4.99%, the second is for 100 million United States dollars commencing on 19 May 2010 for a term of seven years at a fixed rate of 4.67%.

(d) Interest rate sensitivity analysis

The impact of an increase or decrease in average interest rates of 1% (100 basis points) at reporting date, with all other variables held constant, is illustrated in the tables below. This analysis is based on the interest rate risk exposures in existence at balance sheet date. As both Groups have no derivatives that meet the documentation requirements to qualify for hedge accounting, there would be no impact on unitholders' interest (apart from the effect on profit).

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

(i) Increase in average interest rates of 1%

The effect on net interest expense for one year would have been:

	Effect on profit after tax			
	ING Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2010 $m	2009 $m	2010 $m	2009 $m
Variable interest rate instruments denominated in:				
Australian dollars	(0.1)	(1.4)	-	(1.3)
Euros	-	(0.9)	-	-
	(0.1)	(2.3)	-	(1.3)

The effect on change in fair value of derivatives would have been:

	Effect on profit after tax			
	ING Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2010 $m	2009 $m	2010 $m	2009 $m
Variable interest rate instruments denominated in:				
Euros	5.8	21.7	-	-
United States dollars	3.6	11.0	3.6	11.0
	9.4	32.7	3.6	11.0

(ii) Decrease in average interest rates of 1%

The effect on net interest expense for one year would have been:

	Effect on profit after tax			
	ING Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2010 $m	2009 $m	2010 $m	2009 $m
Variable interest rate instruments denominated in:				
Australian dollars	0.1	1.4	-	1.3
Euros	-	0.9	-	-
	0.1	2.3	-	1.3

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

The effect on change in fair value of derivatives would have been:

	Effect on profit after tax			
	ING Office Fund		**Prime Credit Property Trust**	
	Higher/(lower)		**Higher/(lower)**	
	2010 $m	**2009 $m**	**2010 $m**	**2009 $m**
Variable interest rate instruments denominated in:				
Euros	(6.2)	(22.8)	-	-
United States dollars	(3.8)	(11.6)	(3.8)	(11.6)
	(10.0)	(34.4)	(3.8)	(11.6)

(e) Foreign exchange risk

By holding properties in offshore markets, the Group is exposed to the risk of movements in foreign exchange rates. Foreign exchange rate movements may reduce the Australian dollar equivalent of the carrying value of the Group's offshore properties, and may result in lower Australian dollar equivalent proceeds when an offshore property is sold. In addition, foreign exchange rate movements may reduce the Australian dollar equivalent of the earnings from the offshore properties while they are owned by the Group.

The Group reduces its exposure to the foreign exchange risk inherent in the carrying value of their offshore properties and interests in offshore investments by partly or wholly funding their acquisition using borrowings denominated in the particular offshore currency, and by using derivatives. The Group's Treasury Policy sets a target for minimum and maximum hedging of the carrying value of its offshore properties.

Fully hedging the value of offshore properties and interests in offshore investments exposes the Group to the risk that foreign exchange rate movements cause the Group's Leverage Ratios to increase. To reduce this risk, the Group has closed out their foreign exchange derivatives and redenominated their foreign currency borrowings under their syndicated bank facilities. As a result, the foreign exchange risk inherent in the carrying value of its offshore properties is now hedged solely by the offshore liabilities of the Group and of its equity accounted investments, leaving the equity value of the Group's investments in Europe and the United States of America exposed to adverse movements in foreign exchange rates.

The Group's exposure to the impact of exchange rate movements on its earnings from its offshore properties is partly mitigated by the foreign denominated interest expense of its foreign denominated borrowings and any derivative hedges. The Group aims to reduce any residual exposure to its earnings arising because of its investment in offshore markets by using forward exchange contracts. The Treasury Policy sets out targets of minimum and maximum hedging of its earnings from offshore properties over a five-year time horizon.

As part of a stapled entity, the Prime Group's foreign exchange risk is not separately managed. Management of this risk for the Group may result in consequential changes for the Prime Group.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)
(f) Net foreign currency exposure

The Group's net foreign currency monetary exposure, after taking into account the effect of foreign exchange derivatives, as at reporting date is shown in the following table. The net foreign currency exposure reported is of foreign currencies held by entities whose functional currency is the Australian dollar. It excludes assets and liabilities of entities, including the Group's European and United States subsidiaries and equity accounted investments, whose functional currency is not the Australian dollar.

	Net foreign currency asset/(liability)			
	ING Office Fund		Prime Credit Property Trust	
	2010	2009	2010	2009
	$m	$m	$m	$m
Euros	(120.4)	(269.9)	-	-
United States dollars	0.2	0.3	0.2	0.3
	(120.2)	(269.6)	0.2	0.3

(g) Foreign exchange sensitivity analysis

The impact of an increase or decrease in average foreign exchange rates of 10% at reporting date, with all other variables held constant, is illustrated in the tables below. This analysis is based on the foreign exchange risk exposures in existence at balance sheet date. In these tables, the effect on unitholders' interest excludes the effect on profit after tax.

(i) Effect of appreciation in Australian dollar of 10%:

	Effect on profit after tax			
	ING Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2010	2009	2010	2009
	$m	$m	$m	$m
Foreign exchange risk exposures denominated in:				
Euros	22.8	(3.5)	-	-
United States dollars	1.1	1.5	1.1	1.5
	23.9	(2.0)	1.1	1.5

(ii) Effect of depreciation in Australian dollar of 10%:

	Effect on profit after tax			
	ING Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2010	2009	2010	2009
	$m	$m	$m	$m
Foreign exchange risk exposures denominated in:				
Euros	(23.7)	10.4	-	-
United States dollars	(1.3)	(1.8)	(1.3)	(1.8)
	(25.0)	8.6	(1.3)	(1.8)

The Responsible Entity believes that the reporting date risk exposures are representative of the risk exposure inherent in the Group's financial instruments.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

These tables do not show the effect on equity that would occur from the translation of the financial statements of foreign operations because of the assumed 10% change in exchange rates.

(h) Foreign exchange derivatives held

The following tables detail the forward exchange contracts, options and foreign exchange swaps outstanding at reporting date. These have been taken out to mitigate the effect of foreign exchange movements on the financial statements.

At balance sheet date, none of the following foreign exchange derivatives qualifies for hedge accounting and gains and losses arising from changes in fair value have been taken to the income statement. The consolidated gain for the year ended 30 June 2010 was $13.0 million (Prime Group $0.2 million loss) (30 June 2009: $51.8 million loss; Prime Group $37.3 million loss).

Forward foreign exchange contracts to receive Australian dollars and pay United States dollars were:

Maturing	**Weighted average exchange rate**		**Principal amount**			
	2010	**2009**	**2010 AUD m**	**2010 USD m**	**2009 AUD m**	**2009 USD m**
			ING Office Fund			
Within one year	0.6940	0.6940	3.9	2.7	6.1	4.2
Later than one year but not later than five years	0.7878	0.7616	9.9	7.8	13.7	10.4
			13.8	10.5	19.8	14.6
			Prime Credit Property Trust			
Within one year	0.6940	0.6940	3.9	2.7	6.1	4.2
Later than one year but not later than five years	0.7878	0.7616	9.9	7.8	13.7	10.4
			13.8	10.5	19.8	14.6

Forward foreign exchange contracts to receive Australian dollars and pay Euros were:

Maturing	**Weighted average exchange rate**		**Principal amount**			
	2010	**2009**	**2010 AUD m**	**2010 EUR m**	**2009 AUD m**	**2009 EUR m**
			ING Office Fund			
Within one year	0.5551	0.5669	16.6	9.2	399.5	226.5
Later than one year but not later than five years	0.5164	0.5179	41.8	21.6	45.0	23.3
			58.4	30.8	444.5	249.8

(i) Credit risk

Credit risk refers to the risk that a counterparty defaults on its contractual obligations resulting in a financial loss to each Group.

The major credit risk for both Groups is default by tenants, resulting in a loss of rental income while a replacement tenant is secured and further loss if the rent level agreed with the replacement tenant is below that previously paid by the defaulting tenant. In addition, a default of one the Groups' major tenants may trigger the right for one or more of the lenders to either Group to review or call in its loan.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

Both Groups assess the credit risk of prospective tenants, the credit risk of in-place tenants when acquiring properties and the credit risk of existing tenants renewing upon expiry of their leases. Factors taken into account when assessing credit risk include the aggregate exposure the Groups may have to the prospective tenant if the counterparty is already a tenant in the portfolio; the strength of the prospective tenant's business; the level of its commitment to locating in the Groups' property; and any form of security, for example a rental bond, to be provided.

The decision to accept the credit risk associated with leasing space to a particular tenant is balanced against the risk of the potential financial loss of not leasing up vacant space.

Rent receivable balances are monitored on an ongoing basis and arrears actively followed up in order to reduce, where possible, the extent of any losses should the tenant subsequently default.

The Responsible Entity believes that both Groups' receivables that are neither past due nor impaired do not give rise to any significant credit risk.

Credit risk also arises from deposits placed with financial institutions and derivatives contracts that may have a positive value. Both Groups' Treasury Policy sets target limits for credit risk exposure with financial institutions and minimum counterparty credit ratings. Counterparty exposure is measured as the aggregate of all obligations of any single legal entity or economic entity to both Groups, after allowing for appropriate set offs which are legally enforceable.

Both Groups' maximum exposure to credit risk at reporting date in relation to each class of financial instrument is its carrying amount as reported in the balance sheet.

(j) Liquidity risk

The main objective of liquidity risk management is to reduce the risk that the Group does not have the resources available to meet its financial obligations and working capital and committed capital expenditure requirements. The Group's Treasury Policy sets a target for the level of cash and available undrawn debt facilities to cover future committed expenditure in the next year, loan maturities within the next six months and an allowance for unforeseen events such as tenant default.

The Group may also be exposed to contingent liquidity risk under its term loan facilities, where term loan facilities include covenants which if breached give the lender the right to call in the loan, thereby accelerating a cash flow which otherwise was scheduled for the loan maturity. The Group monitors adherence to loan covenants on a regular basis, and the Treasury Policy sets targets based on the ability to withstand adverse market movements and remain within loan covenant limits.

The Group monitors its debt expiry profile and aims to achieve staggered maturities, where possible, to reduce refinance risk in any one year. At present, the Group has not achieved the desired level of staggered maturities.

As part of a stapled entity, the Prime Group's liquidity risk is not separately managed. Management of this risk for the Group may result in consequential changes for the Prime Group.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

The contractual maturities of the Group's non-derivative financial liabilities at reporting date are reflected in the following table. It shows the undiscounted contractual cash flows required to discharge the liabilities including interest at market rates. Foreign currencies have been converted at rates of exchange ruling at reporting date.

	ING Office Fund			
	2010			
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total**
	$m	**$m**	**$m**	**$m**
Trade & other payables	29.9	-	-	29.9
Borrowings	14.9	414.4	-	429.3
	44.8	414.4	-	459.2
	2009			
Trade & other payables	23.4	0.7	-	24.1
Borrowings	30.1	1,070.0	14.9	1,115.0
	53.5	1,070.7	14.9	1,139.1

The contractual maturities of the Prime Group's non-derivative financial liabilities at reporting date, on the same basis, were:

	Prime Credit Property Trust			
	2010			
	Less than 1 year	**1 to 5 years**	**More than 5 years**	**Total**
	$m	**$m**	**$m**	**$m**
Trade & other payables	14.6	-	-	14.6
Borrowings	10.3	193.4	-	203.7
	24.9	193.4	-	218.3
	2009			
Trade & other payables	23.3	-	-	23.3
Borrowings	16.6	369.5	-	386.1
	39.9	369.5	-	409.4

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

As of 1 July 2009, the Group has adopted the amendment to AASB 7 *Financial Instruments: Disclosures*, which requires separate disclosure of the contractual maturities of the Group's derivative liabilities and related derivative assets. These are reflected in the following table. It shows the undiscounted contractual cash flows required to discharge the liabilities including interest at market rates. Foreign currencies have been converted at rates of exchange ruling at reporting date. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

	ING Office Fund 2010			
	Less than 1 year $m	1 to 5 years $m	More than 5 years $m	Total $m
Liabilities				
Derivative liabilities - net settled	(5.2)	(21.3)	(0.6)	(27.1)
Derivative liabilities - gross settled				
Outlows	-	(7.2)	-	(7.2)
Inflows	-	7.5	-	7.5
	(5.2)	(21.0)	(0.6)	(26.8)
Assets				
Derivative assets - gross settled				
Outlows	(16.6)	(33.5)	-	(50.1)
Inflows	20.4	44.2	-	64.6
	3.8	10.7	-	14.5

The contractual maturities of Prime Group's derivative financial liabilities at reporting date, on the same basis, were:

	Prime Credit Property Trust 2010			
	Less than 1 year $m	1 to 5 years $m	More than 5 years $m	Total $m
Liabilities				
Derivative liabilities - net settled	-	(9.1)	(0.6)	(9.7)
Derivative liabilities - gross settled				
Outlows	-	(7.2)	-	(7.2)
Inflows	-	7.5	-	7.5
	-	(8.8)	(0.6)	(9.4)
Assets				
Derivative assets - gross settled				
Outlows	(3.2)	(2.0)	-	(5.2)
Inflows	3.8	2.3	-	6.1
	0.6	0.3	-	0.9

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

(k) Fair value of financial assets and liabilities

As of 1 July 2009, the Group has adopted the amendment to AASB 7 *Financial Instruments: Disclosures*, which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1: fair value is calculated using quoted prices in active markets;

Level 2: fair value is calculated using inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: fair value is calculated using inputs for the asset or liability that are not based on observable market data.

Quoted market price represents the fair value determined based on quoted prices on active markets as at the reporting date without any deduction for transaction costs. The fair value of the listed equity investments are based on quoted market prices.

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value techniques, comparison to similar instruments for which market observable prices exist and other relevant models used by market participants. These valuation techniques use both observable and unobservable market inputs.

Financial instruments that use valuation techniques with only observable market inputs or unobservable inputs that are not significant to the overall valuation include forward foreign exchange contract and interest rate swaps.

The Group does not have any level 3 instruments.

The following tables present both Groups' financial instruments that were measured and recognised at fair value at 30 June 2010. Comparative information has not been provided as permitted by the transitional provisions of the new rules.

	ING Office Fund 2010			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivatives	-	10.2	-	10.2
Financial liabilities				
Derivatives	-	(25.1)	-	(25.1)

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

19. Financial instruments (continued)

	Prime Credit Property Trust 2010			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivatives	-	0.8	-	0.8
Financial liabilities				
Derivatives	-	(11.1)	-	(11.1)

The carrying amounts of the Group's other financial instruments approximate their fair values, except for fixed rate debt as follows:

	ING Office Fund			
	2010		2009	
	Fair value $m	Carrying amount $m	Fair value $m	Carrying amount $m
Other external debt	200.7	186.8	214.3	193.9

	Prime Credit Property Trust			
	2010		2009	
	Fair value $m	Carrying amount $m	Fair value $m	Carrying amount $m
Other external debt	200.7	186.8	214.3	193.9

These fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates varying from 1% to 3% (30 June 2009: 1.5% to 4.2%), depending on the type of borrowing.

20. Auditor's remuneration

	ING Office Fund		Prime Credit Property Trust	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Amounts received or receivable by Ernst & Young for:				
Audit or review of financial reports of the Fund and any other entity in the consolidated entity	224	316	112	203
Other services - assurance related	8	29	4	18
	232	345	116	221

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

21. Related parties

(a) Responsible Entity

The Responsible Entity of the Trusts is ING Management Limited ("IML"), a member of the ING group of companies for which the ultimate holding company is ING Groep NV, a company incorporated in the Netherlands.

(b) Fees of the Responsible Entity and its related parties

	Note	ING Office Fund		Prime Credit Property Trust	
		2010 $'000	2009 $'000	2010 $'000	2009 $'000
ING Management Limited:	(i)				
Responsible Entity's fees		8,420	10,768	3,691	5,291
Property management and leasing fees		429	720	227	402
ING Clarion Partners LLC:	(ii)				
Asset management fees		2,355	3,812	2,355	3,812
Asset disposition fee		403	-	403	-
Performance fee		343	(1,619)	343	(1,619)
Other ING subsidiaries:	(iii)				
Property management and leasing fees		1,437	1,924	-	-

(i) IML receives a base fee of 0.52% per annum of total Australian assets up to a value of $1.5 billion, together with 0.45% per annum of total Australian assets in excess of that amount. In addition, it receives property management and leasing fees at commercial rates.

(ii) ING Clarion Partners LLC ("Clarion") receives a base fee of 0.45% of the fair value of United States properties and may receive property management and leasing fees at commercial rates. In addition, Clarion may receive income and capital performance fees if property performance exceeds nominated benchmarks.

(iii) ING Real Estate Investment Management France and ING Real Estate Investment Management Belgium receive a fee of 0.45% of the fair value of the respective properties they manage.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

21. Related parties (continued)

(c) Holdings of the Responsible Entity and its related parties

Holdings in each Trust of the Responsible Entity and its related parties (including managed investment schemes for which a related party is the Responsible Entity) as at 30 June 2010, and distributions receivable for the year then ended, were:

Name	Number of units held 2010 000s	Distributions Receivable ING Office Fund 2010 $'000	Prime Credit Property Trust 2010 $'000
ING Australia Holdings Limited	15,000	646	193
ING Clarion	132,675	2,906	1,376
ING Fund Management Limited	10,800	489	152
ING Investment Management Limited	3,603	275	56
ING Life Limited	-	28	7
ING Real Estate International Investments III BV	63,611	1,371	683
ING Investment LLC	63,191	1,536	659
ING Luxembourg S.A.	2,775	67	29
ING Real Estate Co Investment Pty Limited	4,282	42	42
	295,937	7,360	3,197

Holdings of those parties as at 30 June 2009, and distributions received or receivable for the year then ended, were:

Name	Number of units held 2009 000s	Distributions Receivable ING Office Fund 2009 $'000	Prime Credit Property Trust 2009 $'000
ING Australia Holdings Limited	21,629	2,087	647
ING Clarion	578	12	4
ING Fund Management Limited	7,762	1,080	335
ING Investment Management Limited	1,868	84	26
ING Life Limited	3,662	477	148
ING New Zealand	6,544	404	125
ING Real Estate Income Fund	4,282	413	128
ING Real Estate International Investments III BV	63,358	6,083	1,886
	109,683	10,640	3,299

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

21. Related parties (continued)

(d) Other transactions with the Responsible Entity and its related parties

The Group has borrowings at reporting date totalling $13.8 million (Prime Group: nil) (2009: $67.5 million; Prime Group: $12.2 million) from ING Real Estate Finance, a division of ING, as part of the Group's syndicated bank facility. Interest expense on the borrowing for the financial year was $0.2 million (Prime Group: nil) (2009: $3.3 million; Prime Group: $0.9 million). Further details of the loan are given at notes 12 and 19. In addition, the Group has entered into an interest rate swap with ING Bank N.V, which had a negative fair value at reporting date of $14.1 million (2009: negative $13.7 million).

(e) Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Responsible Entity.

The names of the directors of the Responsible Entity, and their dates of appointment or resignation if they were not directors for all of the financial year, are:

Richard Colless AM	Chairman
Philip Clark AM	
Michael Easson AM	
Paul Scully	
Christophe Tanghe	Appointed 1 September 2009
George Jautze	Appointed 1 September 2009; resigned 31 May 2010
Philip Redmond	Resigned 12 April 2010

The names of other key management personnel, and their dates of appointment or resignation if they did not occupy their position for all of the financial year, are:

Denis Hickey	IML Chief Executive Officer; appointed 1 September 2009
Valentino Tanfara	Fund Chief Executive Officer
Danny Agnoletto	IML Chief Financial Officer; appointed 16 November 2009
Hugh Thomson	IML Chief Executive Officer; ceased 31 August 2009
David Hunt	IML Chief Financial Officer; ceased 15 November 2009

Key management personnel do not receive any remuneration directly from the Group. They receive remuneration from the Responsible Entity in their capacity as directors or employees of the Responsible Entity or its related parties. Consequently, the Group does not pay any compensation as defined in Accounting Standard AASB 124 *Related Parties* to its key management personnel.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

21. Related parties (continued)

Units held directly, indirectly or beneficially in each Trust by each key management person, including their related parties, were:

	2010 000s	2009 000s
Paul Scully		
Held at the beginning of the financial year	31	23
Acquisitions	11	8
Held at the end of the financial year	42	31
Valentino Tanfara		
Held at the beginning of the financial year	-	500
Disposals	-	(500)
Held at the end of the financial year	-	-
Philip Redmond		
Held at the beginning of the financial year	26	26
Acquisitions	10	-
Held at the date of cessation as a key management person or at the end of the financial year	36	26
Hugh Thomson		
Held at the beginning of the financial year	-	394
Disposals	-	(394)
Held at or at the end of the financial year	-	-
David Hunt		
Held at the beginning of the financial year	175	175
Disposals	(8)	-
Held at the date of cessation as a key management person or at the end of the financial year	167	175

Distributions received or receivable from the Trusts by each key management person were:

	ING Office Fund		Prime Credit Property Trust	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Paul Scully	2	3	1	1
Philip Redmond	1	2	-	1
David Hunt	2	17	1	5
	5	22	2	7

In addition to the above persons, key management personnel as defined in the Accounting Standards includes the Responsible Entity. Details of the remuneration of the Responsible Entity are given at note (b) above. Details of its holdings in the Fund are given at note (c) above.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

21. Related parties (continued)

(f) Transactions with equity accounted investments

The Group has lent to and borrowed from its equity accounted investments on normal commercial terms. Amounts recognised were:

	ING Office Fund		Prime Credit Property Trust	
	2010 $'000	2009 $'000	2010 $'000	2009 $'000
Amounts receivable at reporting date	74,316	89,378	652	691
Amounts payable at reporting date	5,922	4,426	-	-
Interest income	4,844	5,380	-	-
Interest expense	195	81	-	-

22. Parent financial information

Summary financial information about the parent of each Group is:

	Armstrong Jones Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Current assets	75.7	34.3	272.9	93.7
Total assets	1,478.4	1,455.9	1,136.9	1,134.1
Current liabilities	19.0	243.8	33.1	45.2
Total liabilities	327.5	525.6	44.2	183.7
Unitholders equity:				
Issued units	1,025.3	824.6	1,282.9	1,082.1
Foreign currency translation reserve	-	-	(10.4)	(10.4)
Retained earnings/(accumulated losses)	125.6	105.7	(179.9)	(121.3)
Total unitholders' equity	1,150.9	930.3	1,092.6	950.4
Net profit/(loss) attributable to unitholders	77.2	(172.7)	13.5	(364.7)
Total comprehensive income	77.2	(167.5)	13.5	(375.1)

Commitments for capital expenditure on investment property contracted for by the parent of each Group but not provided for at reporting date were payable as follows:

	Armstrong Jones Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Within one year	26.4	7.0	6.0	5.4
Later than one year but not later than five years	-	1.2	1.2	0.5
	26.4	8.2	7.2	5.9

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

23. Subsidiaries

(a) Names of subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1(d):

Name	Country of residence	Ownership interest 2010 %	2009 %
Subsidiaries of Armstrong Jones Office Fund			
Dutch Office Investments Subsidiary Trust	Australia	100	100
George Street Sydney Subsidiary Trust	Australia	100	100
George Street Sydney Trust	Australia	100	100
IOF European Trust No 1	Australia	100	100
IOF European Trust No 2	Australia	100	100
ING Reboi SA	Brussels	100	100
ING Budejovicka Alej as	Czech Republic	-	100
SCI IOF Holding	France	100	100
ING Office Real Estate France Sarl	Luxembourg	100	100
ING Office Real Estate Luxembourg Sarl	Luxembourg	100	100
ING Office Malta 1 Limited	Malta	100	100
ING Office Malta 2 Limited	Malta	100	100
Subsidiaries of Prime Credit Property Trust			
Clarence Street Sydney Subsidiary Trust	Australia	100	100
Clarence Street Sydney Trust	Australia	100	100
ING Office Finance Pty Ltd	Australia	50	50
Miller Street North Sydney Trust	Australia	100	100
Prime Credit Subsidiary Property Trust No.2	Australia	100	100
Toorak Road Toorak Trust	Australia	100	100
2980 Fairview Park LLC	United States of America	100	100
601 Thirteenth Street NW Associates LP	United States of America	80	80
ING UOC 900 Third Avenue 1 LP LLC	United States of America	100	100
ING UOC 900 Third Avenue 2 GP LLC	United States of America	100	100
ING UOC Falls Church GP LLC	United States of America	100	100
ING UOC Falls Church LP	United States of America	100	100
ING UOC Homer GP LLC	United States of America	100	100
ING UOC Homer LP	United States of America	100	100
ING UOC Plano GP LLC	United States of America	100	100
ING UOC Plano LP	United States of America	100	100
ING UOC Waltham GP LLC	United States of America	100	100
ING UOC Waltham LP	United States of America	100	100
ING US Office Corporation	United States of America	100	100

The Groups' voting interest in their subsidiaries is the same as their ownership interest.

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

23. Subsidiaries (continued)

(b) Disposal of subsidiaries

On 11 August 2009, the Group sold all of the capital of ING Budejovicka Alej as ("the Company"). The carrying amounts of the assets and liabilities of the Company and its subsidiaries at the date of sale were:

	2010 $m
Cash	3.2
Receivables	0.5
Property investments	53.4
Payables	(2.5)
Loan payable to related entity	(4.7)
Net assets	49.9

Net cash inflow on sale:

	$m
Cash consideration	53.3
Less cash balance in subsidiary at date of disposal	3.2
Less other costs of disposal paid in cash	0.2
Net cash inflow on sale	49.9

24. Segment information

(a) Description of segments

The Group invests in office property located in Australia, United States of America and Europe, each of which leases the properties it owns. Both Groups have identified their operating segments as being these regions, based on internal reporting to the chief operating decision maker. The Group is organised around functions, but distinguishes these regions in its internal reporting.

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
(b) Segment revenue				
Revenues from external customers:				
Australia	164.0	172.0	75.7	85.2
United States	40.8	54.8	40.8	54.8
Europe	1.2	5.4	-	-
	206.0	232.2	116.5	140.0
Interest income	6.0	7.3	0.4	1.3
Total revenue	212.0	239.5	116.9	141.3

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

24. Segment information (continued)

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
(c) Segment result				
Australia	125.8	132.8	57.5	63.7
United States	36.7	53.4	36.7	53.4
Europe	38.5	45.0	-	-
	201.0	231.2	94.2	117.1
Interest income	6.0	7.3	0.4	1.3
Finance costs	(39.1)	(72.7)	(20.0)	(33.0)
Responsible Entity's fees	(8.4)	(10.8)	(3.7)	(5.3)
Other expenses	(7.5)	(5.9)	(4.4)	(3.6)
Lease revenue recognition	4.0	4.4	0.9	3.0
Net foreign exchange gain/(loss)	28.7	(38.3)	1.6	(19.6)
Net loss on change in fair value of:				
Investment properties	(73.6)	(494.7)	(37.3)	(310.3)
Derivatives	(15.3)	(153.9)	(11.1)	(75.5)
Items included in share of net profit of equity accounted investments:				
Investment properties	(49.8)	(301.0)	(6.7)	(208.1)
Derivatives	(6.7)	(17.6)	(5.4)	(13.2)
Deferred income tax (benefit)/expense included in share of net profit of equity accounted investments	(0.1)	2.2	-	-
Profit/(loss) before income tax	39.2	(849.8)	8.5	(547.2)
(d) Segment assets				
Australia	1,611.9	1,481.2	898.9	801.4
United States	436.0	549.7	436.0	549.7
Europe	466.2	918.5	-	-
Unallocated	39.0	19.5	19.3	9.6
	2,553.1	2,968.9	1,354.2	1,360.7

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

24. Segment information (continued)

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
(e) Other information				
Share of net profit of equity accounted investments:				
United States	(6.8)	(209.2)	(6.8)	(209.2)
Europe	(16.2)	(65.1)	-	-
	(23.0)	(274.3)	(6.8)	(209.2)
Net gain on change in fair value of investment property:				
Australia	(76.5)	(350.8)	(40.2)	(177.7)
United States	2.9	(132.6)	2.9	(132.6)
Europe	-	(11.3)	-	-
	(73.6)	(494.7)	(37.3)	(310.3)
Carrying amount of equity accounted investments:				
United States	99.2	111.1	99.2	111.1
Europe	411.2	545.3	-	-
	510.4	656.4	99.2	111.1
Additions to investment properties and equity accounted investments:				
Australia	41.5	41.4	21.7	6.7
United States	4.9	19.1	4.9	19.1
Europe	1.1	2.2	-	-
	47.5	62.7	26.6	25.8

ING Office Fund
Notes to the financial statements
Year ended 30 June 2010

25. Notes to the cash flow statements

(a) Reconciliation of profit to net cash flows from operations

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Net profit/(loss) for the year	45.7	(778.4)	8.6	(477.5)
Adjustments for:				
Straight line lease revenue recognition	(3.6)	(4.1)	(0.9)	(2.7)
Unrealised foreign exchange (gain)/loss	(82.0)	32.5	(20.0)	14.6
Net loss on change in fair value of:				
Investment properties	73.6	494.7	37.3	310.3
Derivatives	15.3	89.6	11.1	22.7
Amortisation of tenant incentives	6.7	8.5	5.9	7.1
Excess of distributions received from equity accounted investments over share of profits	54.9	297.6	6.8	215.8
Deferred income tax (benefit)/expense	(9.0)	(71.3)	0.7	(70.6)
Other non-cash items	(4.3)	0.6	(1.6)	0.2
Operating profit for the year before changes in working capital	97.3	69.7	47.9	19.9
Changes in working capital:				
(Increase)/decrease in receivables	1.6	9.1	(0.2)	4.1
Decrease in interest payable	(0.2)	(1.1)	(0.2)	(1.4)
Increase/(decrease) in other payables	3.3	(2.1)	(0.6)	(2.3)
Net cash provided by operating activities	102.0	75.6	46.9	20.3

(b) Non-cash financing and investing activities

	ING Office Fund		Prime Credit Property Trust	
	2010 $m	2009 $m	2010 $m	2009 $m
Re-investment of distributions pursuant to Distribution Investment Plan	-	12.1	-	6.1

ING Office Fund
Directors' declaration
Year ended 30 June 2010

In accordance with a resolution of the directors of ING Management Limited, I state that:

1. In the opinion of the directors:

   (a) the financial statements and notes of Armstrong Jones Office Fund and of Prime Credit Property Trust are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of each Group's financial position as at 30 June 2010 and of their performance for the year ended on that date; and

      (ii) complying with Accounting Standards and Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that each of Armstrong Jones Office Fund and Prime Credit Property Trust will be able to pay their debts as and when they become due and payable.

2. The notes to the financial statements include an explicit and unreserved statement of compliance with international financial reporting standards at note 1(b).

3. This declaration has been made after receiving the declarations required to be made by the Chief Executive Officer and Chief Financial Officer to the directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2010.

On behalf of the directors

Michael Easson AM
Director
Sydney, 18 August 2010

Ernst & Young Centre
680 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
www.ey.com/au

Independent auditor's report to the stapled security holders of Armstrong Jones Office Fund and Prime Credit Property Trust ("the Trusts")

Report on the Financial Report

We have audited the accompanying financial report which has been prepared in accordance with ASIC Class Order 05/642 and comprises:

- the balance sheet as at 30 June 2010, and the income statement, statement of comprehensive income, 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 of the consolidated stapled entity (the "Group" or "ING Office Fund"), comprising both Armstrong Jones Office Fund and the entities it controlled, and Prime Credit Property Trust and the entities it controlled year end or from time to time during the year.

- the balance sheet as at 30 June 2010, and the income statement, statement of comprehensive income, 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 of Prime Credit Property Trust, comprising both the Prime Credit Property Trust and the entities it controlled at the year end or from time to time during the year.

Directors' Responsibility for the Financial Report

The directors ING Management Limited as Responsible Entity of the Trusts are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls 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(b), the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 our 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, we consider internal controls 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 controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors of the Responsible Entity, 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 met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the Responsible Entity of the Trusts a written Auditor's Independence Declaration, a copy of which follows the directors' report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

Auditor's Opinion

In our opinion:

1. the financial report of the ING Office Fund and the Prime Credit Property Trust is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the financial position of the ING Office Fund and the Prime Credit Property Trust at 30 June 2010 and of their 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*.

2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board as disclosed in Note 1(b).

Ernst & Young

Ernst & Young

Douglas Bain
Partner
Sydney
18 August 2010