APPENDIX 4E

Preliminary Final Report

Year ended 30 June 2011

Name of Entity: Investa Office Fund

ARSN: Investa 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 5.8% to 199.6	
Profit from ordinary activities after tax attributable to members	up 239% to 143.9	
Net profit for the period attributable to members	up 239% to 143.9	
Operating income	down 10.3% to 135.6	
	30 June 2011	**30 June 2010**
Net tangible assets per unit	$0.73	$0.74

Distributions	Amount per unit (cents)	$m
Interim - 30 September 2010	0.975	26.6
Interim - 31 December 2010	0.975	26.6
Interim - 31 March 2011	0.975	26.6
Final - 30 June 2011	0.975	26.6
Total	3.900	106.4
Previous Corresponding Period	3.900	106.4
Record date for determining entitlements to the final distribution	30 June 2011	

Note : Franked amount per unit is not applicable

Other significant information and commentary on results
See attached ASX announcement

For all other information required by Appendix 4E, please refer to the following attached documents:

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

Jonathan Callaghan
Company Secretary

25 August 2011

Investa Office Fund

(formerly ING Office Fund)

Annual Financial Report

30 June 2011

The Investa Office Fund comprises
Armstrong Jones Office Fund ARSN 090 242 229 and Prime Credit Property Trust ARSN 089 849 196

www.investa.com.au

Investa Office Fund
Annual Financial Reports
Year ended 30 June 2011

Contents

The Investa Office Fund (formerly 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). Investa Listed Funds Management Limited (ABN 37 149 175 655; AFS licence number 401414) is the Responsible Entity of both schemes from 8 July 2011, and ING Management Limited (ABN 15 006 065 032; AFS licence number 237534), was the Responsible Entity up to 8 July 2011. The Responsible Entities of both schemes, are incorporated and domiciled in Australia. The registered office of Investa Listed Funds Management Limited is Level 6, Deutsche Bank Place, 126 Phillip Street, Sydney, New South Wales.

This report is not an offer or invitation to subscribe or purchase, or a recommendation of, securities. It does not take into account the investment objectives, financial situation and particular needs of the investor.

Before making an investment in Investa Office Fund, the investor or prospective investor should consider whether such an investment is appropriate to their particular investment needs, objectives and financial circumstances and consult an investment adviser if necessary.

The responsibility for preparation of the financial statements and any financial information contained in this financial report rests solely with the Directors of the Responsible Entity. This financial report was authorised for issue by the Directors on 25 August 2011. The Responsible Entity has the power to amend and reissue this financial report.

Investa Office Fund
Directors' Report
Year ended 30 June 2011

The Investa Office Fund ("IOF" or 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 the Trusts from 8 July 2011 is Investa Listed Funds Management Limited (ILFML), which now presents its report together with the Trusts' financial report for the year ended 30 June 2011. The former responsible entity of both Trusts was ING Management Limited.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement referred to 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 for the Group is taken from the consolidated financial statements and notes.

Directors

The Directors of Investa Listed Funds Management Limited (Responsible Entity from 8 July 2011) are:

D Page AM	Chairman
P Dodd	
P Rowe	
S MacDonald	
M Long	

The Directors of ING Management Limited (which was the Responsible Entity until 8 July 2011) at any time during or up until 8 July 2011 were:

M Coleman	Chairman; appointed 1 July 2011
P Clark AM	
M Easson AM	
S MacDonald	Appointed 4 April 2011
H Brand	Appointed 1 June 2011
K McCann	Chairman appointed 23 September 2010; resigned 30 June 2011
P Scully	Resigned 30 June 2011
C Tanghe	Resigned 1 June 2011
R Colless AM	Resigned 22 September 2010

Except as stated, these persons were Directors of the relevant Responsible Entity during the whole of the financial year and up to the date of this report or change of responsible entity.

Principal activity

The principal activity of the Trusts is investment in commercial property either directly or indirectly through the ownership of interests in unlisted entities. There was no significant change in the nature of either Trust's activities during the financial year.

Investa Office Fund
Directors' Report
Year ended 30 June 2011

Operating and financial review

A summary of the Group and Prime's results for the financial year is:

	Investa Office Fund		**Prime Credit Property Trust**	
	2011	2010	**2011**	2010
Net profit attributable to unitholders ($ million)	**143.9**	42.5	**77.2**	5.4
Operating income ($ million)	**135.6**	151.2	**60.7**	66.2
Distributions per unit (cents)	**3.9**	3.9	**1.3**	1.6
Per stapled unit:				
Operating income per unit (cents)	**5.0**	5.6	**-**	-
Basic and diluted earnings per unit (cents)	**5.3**	1.6	**-**	-
Per unit of each Trust:				
Basic and diluted earnings per unit (cents)	**2.5**	**1.4**	**2.8**	0.2

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 Trust's properties and financial instruments.

Operating income for the 2011 financial year decreased by 10.3% to $135.6 million (30 June 2010: $151.2 million) mainly due to:

- a reduction in income from the property portfolio as a result of asset sales during the year; and
- capital transaction costs incurred during the 2011 financial year; partially offset by
- a reduction in finance costs.

As a result of this reduction, operating income per unit was down 10.7% to 5.0 cents per unit (30 June 2010: 5.6 cents per unit).

Earnings per unit as calculated under applicable accounting standards for the year ended 30 June 2011 were up 231% to 5.3 cents per unit (30 June 2010: 1.6 cents per unit) predominantly due to positive asset revaluations.

Investa Office Fund
Directors' Report
Year ended 30 June 2011

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

	Investa Office Fund		Prime Credit Property Trust	
	2011	**2010**	**2011**	**2010**
	$m	$m	**$m**	$m
Net profit attributable to unitholders ($ million)	**143.9**	42.5	**77.2**	5.4
Adjusted for:				
Share of reserves for net loss on cash flow hedge transferred to profit and loss (1)	**1.5**	-	**-**	-
Distributions received from financial asset at fair value through profit or loss (1)	**(5.1)**	-	**-**	-
Operating income from DOF from 4 April 2011(1)	**4.6**	-	**-**	-
Straight line lease revenue recognition	**(1.8)**	(4.0)	**(1.5)**	(0.9)
Net foreign exchange gain	**(8.7)**	(25.9)	**(0.5)**	(1.6)
Net loss on disposal of investment properties	**3.4**	-	**3.4**	-
Net (gain)/loss on change in fair value of:				
Financial asset at fair value through profit or loss (1)	**36.2**	-	**-**	-
Investment properties	**(55.6)**	73.6	**(40.0)**	37.3
Derivative financial instruments	**(6.1)**	15.3	**(1.3)**	11.1
Items included in share of net profit/(loss) of equity accounted investments:				
Investment properties	**(25.1)**	49.8	**(25.1)**	6.7
Derivative financial instruments	**(3.2)**	6.7	**(0.7)**	5.4
External non-controlling interests' share of gain on change in fair value of investment properties	**8.6**	2.1	**8.6**	2.1
Income tax expense/(benefit)	**43.0**	(9.0)	**40.6**	0.7
Deferred income tax included in share of net profit/(loss) of equity accounted investments	**-**	0.1	**-**	-
Operating income	**135.6**	151.2	**60.7**	66.2

(1) The investment in the Dutch Office Fund (DOF) changed from being an equity accounted investment to financial asset at fair value through profit or loss on 4 April 2011. The table above reflects this change, refer to Note 13 for details.

Operating income for the 2011 financial year includes leasing fee amortisation of $2.7 million, (30 June 2010: nil). If leasing fee amortisation had been included in the 2010 operating income, 2010 operating income would decrease by $2.2 million or 1.4%.

Total assets decreased by $48.3 million or 1.9% to $2,504.8 million over the year due to:

- the loss on financial asset at fair value through profit or loss of $36.2 million;
- disposals of $72.7 million (including disposals of property held in equity accounted investments); and
- movements due to exchange rate fluctuations; offset in part by
- gains on change in fair value of investment properties of $80.7 million (including share of equity accounted investments).

Investa Office Fund
Directors' Report
Year ended 30 June 2011

Value of assets

	Investa Office Fund		Prime Credit Property Trust	
	2011	**2010**	**2011**	**2010**
	$m	$m	**$m**	$m
Value of assets at 30 June	**2,504.8**	2,553.1	**1,342.9**	1,354.2

The value of the Trusts' assets is derived using the basis set out in Note 1 of the financial statements.

Portfolio update
Key metrics for the Australian portfolio during the year include:
- Occupancy of 95%;
- Tenant retention of 62%;
- Like-for-like net property income growth of +3.4%; and
- Weighted average lease expiry of 4.8 years.

Key metrics for the US portfolio during the year include:
- Portfolio occupancy of 89%;
- Tenant retention of 39%;
- Like-for-like net property income growth of -3.8%; and
- Weighted average lease expiry of 4.4 years.

Like for like property income for the US portfolio was negatively impacted compared to the prior year due to lower occupancy at 900 Third Avenue New York and the remaining vacancy at Waltham Woods in Boston.

Key metrics for the European portfolio during the year include:
- Portfolio occupancy of 90%;
- Tenant retention (excluding DOF) of 100%;
- Like-for-like net property income growth of -11.1%; and
- Weighted average lease expiry of 5.3 years.

The European portfolio has been negatively influenced by the return from the Fund's 13.5% interest in the Dutch Office Fund (DOF).

Divestments and offshore asset sales update
Over the past 12 months, the sale of three assets has been finalised in line with the strategy of repositioning its portfolio to focus on the Australian CBD office markets.

In the US, Park Tower in Washington DC, and Waltham Woods in Boston were sold for US$50.7 million and US$42.0 million respectively, both assets were unencumbered and have resulted in only three assets remaining in the US. In line with the strategy of selling the remaining three US assets, Management has commenced a sale process with the sale of all three assets expected to be completed over 2012.

In Europe, subsequent to 30 June 2011, brokers have been appointed for the sale of the NVH Building in France, and the Belgian asset is being positioned for sale, with the primary focus being on increasing occupancy from the current level of 77%. In terms of exiting the Trusts' European assets, Management will focus will be on the sale of assets in France and Belgium, while the divestment of DOF is expected to occur beyond financial year 2012.

During the year the sale of 1230 Nepean Hwy, Cheltenham, Australia was finalised for $21.5 million. This sale reduced Australian suburban office market exposure to only 3.6%, in line with the strategy of focussing on domestic CBD office markets.

Revaluations

Independent valuations were completed for 36% of the Australian portfolio and for 52% of the offshore portfolio by value at 30 June 2011. This together with the internal valuations completed at 30 June 2011 resulted in an overall 0.8% valuation increase on book values for the Australian portfolio, a 0.6% valuation increase on carrying values for the US assets and a (6.7%) valuation decrease on carrying values for the European assets. The negative movement in Europe was primarily a result of the reduction in the fair value of the investment in DOF, given the limited current investment demand.

The Australian portfolio has seen positive valuation movements based on improving office market conditions particularly in Melbourne and Sydney and a 10 basis point firming in the weighted average capitalisation rate to 7.9%. Recent transactional evidence suggests that investor demand for prime grade CBD assets remains strong, supporting the potential for further firming in capitalisation rates and values.

Capital management

A number of major capital management initiatives have been implemented recently including entering into a new unsecured corporate debt facility of A$552.0 million to replace the previous unsecured corporate debt facility which was due to expire in June 2012. The new facility was signed on 15 August 2011 and has a maturity of 3 years providing sufficient liquidity and flexibility to execute its strategy.

Importantly, the new facility will allow the Fund to execute a unit buyback, a key initiative announced on 15 August. The buyback period is expected to commence on 29 August 2011 and further enhance value for Unitholders. The on-market buyback of up to 10% of issued units will be in place over the next twelve month period unless the maximum number of units are acquired earlier.

Look through gearing at 30 June 2011 was 20.5%. This is below the targeted gearing range of 25% to 35% and provides sufficient flexibility to complete the unit buyback and remain at the bottom end of the targeted gearing range, whilst executing offshore asset sales.

Distributions

Distributions totalling $106.4 million, which is equivalent to 3.9 cents per unit, were paid or payable by the Trusts during the year ended 30 June 2011 (30 June 2010: $106.4 million and 3.9 cents per unit).

More details of distributions are provided in Note 3 of the financial statements.

Significant changes in the state of affairs

On 4 April 2011, ING Real Estate Investment Management, the owner of ING Management Limited, transferred the management of IOF to Investa Property Group ("Investa"). On the same day Investa acquired the 2.5% stake in IOF owned by the ING entities. This resulted in a transitional management agreement where ING Management Limited remained the Responsible Entity and Investa replaced ING Real Estate Management Australia as the manager of IOF.

As a result of the transfer of management, the Directors have concluded that the Group no longer had significant influence over its investment in the Dutch Office Fund (DOF). Until 4 April 2011, the investment had been equity accounted and since that date, the investment has been accounted for as a financial asset at fair value through profit or loss.

In the opinion of the Directors of ILFML being the Responsible Entity, at the date of this report, there were no other significant changes in the state of affairs of the Group that occurred during the financial year.

Events subsequent to reporting date

Investa Property Group assumed Australian property management from CBRE, effective 1 July 2011. Fees payable are based on market terms.

On 7 July 2011, the unitholders of IOF voted to replace ING Management Limited with ILFML as Responsible Entity of IOF. This change took effect on 8 July 2011. At the same time unitholders also voted to restructure the Responsible Entity fee from a percentage of assets under management to a percentage of market capitalisation with effect from 1 July 2012. The fee is fixed in the interim at $8.6 million per annum. The fee from 1 July 2012 will be 0.55% per annum of the Trusts' market capitalisation to be paid quarterly. The fee for a quarter cannot change by more or less than 2.5% from the previous quarter's fee.

On 9 August 2011, the Waltham Winter Street Group was sold for net sale proceeds of USD $41.1 million, which reflects the carrying value at 30 June 2011.

On 15 August 2011, an agreement was signed for a new 3 year bank facility with a limit of $552.0 million. The new debt facility will mature on 15 August 2014. The margins are higher than under the previous syndicated debt facility and are reflective of the current market. The Trusts are expected to continue to service their debt from operating cash flow and remain compliant with the loan covenants.

On 15 August 2011, ILFML announced its intention for the Trusts to undertake an on market buyback of up to 10% of issued units (or a maximum of 272.9 million units). The buyback period is expected to commence on 29 August 2011, and may continue for up to 12 months unless the maximum number of units are bought back, or ILFML decide to cease the buyback earlier. The total number of units purchased by the Trusts will depend on prevailing market conditions and will be funded by debt and proceeds from offshore asset sales.

Other than the matters discussed above, no matters or circumstances have arisen since 30 June 2011 that have significantly affected or may affect the Trusts' operations in future years, or the results of these operations in future financial years, or the Trusts' state of affairs in future financial years.

Likely developments, key strategies and expected results of operations

The key priorities of the Trusts are to:

- execute a unit buyback;
- withdraw from offshore markets;
- manage major upcoming lease expiries;
- take advantage of Investa's integrated office platform;
- continue to drive operational performance across the existing portfolio;
- increase Australian CBD asset weighting through asset acquisition as opportunities arise; and
- complete the leasing of 10-20 Bond Street, Sydney.

Further information on likely developments in the operations of the Trusts and the expected results of operations has not been included in this report because the Directors believe it would result in unreasonable prejudice to the Trusts.

Environmental regulation

The Directors of the Responsible Entity are satisfied that adequate systems are in place for the management of the Trusts' environmental responsibility and compliance with various licence requirements and regulations. Further, the Directors are not aware of any material breaches of these requirements and, to the best of their knowledge, all activities have been undertaken in compliance with environmental requirements.

Indemnification and insurance of officers and the auditor

No insurance premiums were paid for out of the assets of the Trusts for insurance cover provided for the Directors and officers of the Responsible Entity or the auditor of the Trusts. Directors and officers would be entitled to an indemnity from the Responsible Entity in relation to the proper performance of their duties, but would not be entitled where the indemnity would be illegal, void, unenforceable or not permitted by law. The auditor of the Trusts is Ernst & Young. The auditor of the Trusts is in no way indemnified out of the assets of the Trusts.

Interests in the Trusts

Movement in units during the year is set out below:

	Investa Office Fund		Prime Credit Property Trust	
	2011 millions	**2010 millions**	**2011 millions**	**2010 millions**
Units on issue at the beginning of the year	**2,729.1**	1,806.5	**2,729.1**	1,806.5
Units issued during the year	**-**	922.6	**-**	922.6
Units on issue at the end of the year	**2,729.1**	2,729.1	**2,729.1**	2,729.1

Interests of Directors of the Responsible Entity

Units in IOF held by Directors of IML Management Limited (as Responsible Entity of the Group until 8 July 2011) were:

	Number of units
P Scully	42,214

Units in IOF held by Directors of Investa Listed Funds Management Limited (as Responsible Entity of the Trusts from 8 July 2011) were:

	Number of units
D Page AM	16,500

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 24 of the financial statements.

Auditor's independence and non-audit services

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 9.

The Directors of the Responsible Entity have adopted a policy governing Auditor Independence which specifies that the auditing firm should not provide services that are or could be perceived to be in conflict with the role of auditor. Each non-audit service is considered in the context of this policy. The Directors of the Responsible Entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

Details of non-audit services provided by the auditor, Ernst & Young are set out in Note 23 of the financial statements.

Investa Office Fund
Directors' Report
Year ended 30 June 2011

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.

D Page AM
Chairman
Sydney
25 August 2011

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

In relation to our audit of the financial report of Investa Office Fund and its controlled entities and Prime Credit Property Trust and its controlled entities for the financial year ended 30 June 2011, 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

Chris Lawton
Partner
25 August 2011

Investa Office Fund
Consolidated Income Statements
Year ended 30 June 2011

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Revenue					
Rental income		**167.8**	180.7	**94.9**	99.8
Other property income		**21.8**	25.3	**15.3**	16.7
Distribution received from financial asset at fair value through profit or loss		**5.1**	-	**-**	-
Interest income		**4.9**	6.0	**0.4**	0.4
		199.6	212.0	**110.6**	116.9
Other income					
Net foreign exchange gain		**13.8**	28.7	**1.6**	1.6
Net loss on disposal of investment properties		**(3.4)**	-	**(3.4)**	-
Net gain/(loss) on change in fair value of:					
Investment properties		**55.6**	(71.9)	**40.0**	(36.1)
Derivative financial instruments		**6.1**	(15.3)	**1.3**	(11.1)
Loss on financial asset at fair value through profit or loss	13	**(36.2)**	-	**-**	-
Expenses					
Property expenses		**(51.2)**	(58.1)	**(33.3)**	(40.1)
Finance costs	5	**(16.8)**	(21.7)	**(10.8)**	(10.7)
Responsible Entity's fees		**(8.5)**	(8.4)	**(3.9)**	(3.7)
Capital transaction costs	5	**(5.7)**	-	**(3.3)**	-
Other		**(3.2)**	(3.1)	**(1.6)**	(1.5)
Share of net profit/(loss) of equity accounted investments	12	**46.9**	(23.0)	**29.9**	(6.8)
Profit before income tax		**197.0**	39.2	**127.1**	8.5
Income tax (expense)/benefit	6	**(43.8)**	6.5	**(40.6)**	0.1
Net profit for the year		**153.2**	45.7	**86.5**	8.6
Net profit attributable to external non-controlling interests		**(9.3)**	(3.2)	**(9.3)**	(3.2)
Net profit attributable to unitholders		**143.9**	42.5	**77.2**	5.4
Attributable to unit holders of:					
Armstrong Jones Office Fund		**66.7**	37.1	**-**	-
Prime Credit Property Trust		**77.2**	5.4	**77.2**	5.4
		143.9	42.5	**77.2**	5.4
Distributions per unit (cents)	3	3.9	3.9	1.3	1.6
Basic and diluted earnings per unit (cents)					
Per stapled unit	4	5.3	1.6	-	-
Per unit of each Trust	4	2.5	1.4	2.8	0.2

The above Consolidated Income Statements should be read in conjunction with the accompanying notes.

Investa Office Fund
Consolidated Statements of Comprehensive Income
Year ended 30 June 2011

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Net profit for the year		**153.2**	45.7	**86.5**	8.6
Other comprehensive income:					
Exchange differences on translation of foreign operations:					
Unitholders	18	**(73.3)**	(103.0)	**(43.8)**	(20.5)
External non-controlling interests		**(5.0)**	(0.8)	**(5.0)**	(0.8)
Share of reserves for net loss on cash flow hedge transferred to profit and loss	18	**1.5**	-	**-**	-
Share of other comprehensive income of equity accounted investments	18	**1.3**	(0.1)	**-**	-
Total comprehensive income for the year		**77.7**	(58.2)	**37.7**	(12.7)
Total comprehensive income for the year is attributable to:					
Armstrong Jones Office Fund		**40.0**	(45.5)	**-**	-
Prime Credit Property Trust		**33.4**	(15.1)	**33.4**	(15.1)
External non-controlling interests		**4.3**	2.4	**4.3**	2.4
		77.7	(58.2)	**37.7**	(12.7)

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

The above Consolidated Statements of Comprehensive Income should be read in conjunction with the accompanying notes.

Investa Office Fund
Consolidated Statements of Financial Position
As at 30 June 2011

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Current assets					
Cash and cash equivalents	7	**22.8**	28.8	**10.9**	18.5
Trade and other receivables	8	**5.1**	6.5	**1.6**	3.8
Assets classified as held for sale	9	**38.4**	-	**38.4**	-
Derivative financial instruments	10	**6.0**	3.4	**1.3**	0.6
		72.3	38.7	**52.2**	22.9
Non-current assets					
Receivables	8	**68.2**	73.4	**231.8**	198.6
Investment properties	11	**1,982.4**	1,923.8	**1,032.8**	1,033.3
Financial asset at fair value through profit or loss	13	**301.4**	-	**-**	-
Investments accounted for using the equity method	12	**73.8**	510.4	**25.2**	99.2
Derivative financial instruments	10	**6.7**	6.8	**0.9**	0.2
		2,432.5	2,514.4	**1,290.7**	1,331.3
Total assets		**2,504.8**	2,553.1	**1,342.9**	1,354.2
Current liabilities					
Trade and other payables	14	**29.6**	29.9	**17.9**	14.6
Borrowings	15	**344.3**	-	**148.5**	-
Derivative financial instruments	10	**2.0**	5.1	**0.9**	-
Distribution payable	3	**26.6**	26.6	**-**	26.6
		402.5	61.6	**167.3**	41.2
Non-current liabilities					
Borrowings	15	**20.9**	402.6	**20.9**	186.8
Derivative financial instruments	10	**11.5**	20.0	**10.4**	11.1
Deferred tax liabilities	16	**53.1**	22.5	**50.6**	22.5
		85.5	445.1	**81.9**	220.4
Total liabilities		**488.0**	506.7	**249.2**	261.6
Net assets		**2,016.8**	2,046.4	**1,093.7**	1,092.6
Equity					
Contributed equity	17	**2,308.2**	2,308.2	**1,282.9**	1,282.9
Reserves	18	**(222.5)**	(152.0)	**(138.5)**	(94.7)
Accumulated losses	19	**(92.5)**	(130.0)	**(74.3)**	(115.8)
Unitholders interest		**1,993.2**	2,026.2	**1,070.1**	1,072.4
External non-controlling interests		**23.6**	20.2	**23.6**	20.2
Total equity		**2,016.8**	2,046.4	**1,093.7**	1,092.6
Attributable to unit holders of:					
Armstrong Jones Office Fund					
Contributed equity	17	**1,025.3**	1,025.3	**-**	-
Reserves	18	**(84.0)**	(57.3)	**-**	-
Accumulated losses	19	**(18.2)**	(14.2)	**-**	-
		923.1	953.8	**-**	-
Prime Credit Property Trust		**1,070.1**	1,072.4	**1,070.1**	1,072.4
External non-controlling interests		**23.6**	20.2	**23.6**	20.2
		2,016.8	2,046.4	**1,093.7**	1,092.6
Net tangible assets per unit		**$0.73**	$0.74	**$0.39**	$0.39

The above Consolidated Statements of Financial Position should be read in conjunction with the accompanying notes.

Investa Office Fund
Consolidated Statements of Cash Flow
Year ended 30 June 2011

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Cash flows from operating activities					
Rental and other property income (inclusive of GST)		**204.3**	221.8	**117.1**	124.9
Property and other expenses (inclusive of GST)		**(81.6)**	(80.4)	**(44.5)**	(48.6)
Proceeds from termination of derivatives		**5.1**	3.1	**1.1**	1.4
Payments on termination of derivatives		**(8.5)**	(56.8)	**-**	(20.2)
Distributions received from equity accounted investments		**59.8**	31.9	**45.8**	0.1
Distributions received from financial asset at fair value through profit or loss		**5.1**	-	**-**	-
Interest received		**4.1**	6.0	**0.4**	0.4
Borrowing costs paid		**(18.4)**	(23.6)	**(10.7)**	(11.1)
Net cash flow from operating activities	28	**169.9**	102.0	**109.2**	46.9
Cash flows from investing activities					
Additions to investment properties		**(77.7)**	(37.2)	**(38.8)**	(20.0)
Proceeds from sale of investment properties		**21.0**	164.8	**21.0**	164.8
Proceeds from sale of subsidiary, net of cash disposed		**-**	49.9	**-**	-
Loans to equity accounted investments		**(2.2)**	-	**-**	-
Repayment of loans to equity accounted investments		**-**	3.1	**-**	-
Loan to stapled entity		**-**	-	**(33.3)**	(209.5)
Net cash from investing activities		**(58.9)**	180.6	**(51.1)**	(64.7)
Cash flows from financing activities					
Proceeds from issue of units	17	**-**	415.2	**-**	207.6
Unit issue costs	17	**-**	(13.7)	**-**	(6.8)
Distributions to unitholders	3	**(106.4)**	(118.2)	**(62.3)**	(30.3)
Distributions to external non-controlling interests	3	**(0.9)**	(0.9)	**(0.9)**	(0.9)
Proceeds from borrowings		**55.0**	201.9	**-**	-
Repayment of borrowings		**(62.0)**	(751.8)	**-**	(139.0)
Net cash from financing activities		**(114.3)**	(267.5)	**(63.2)**	30.6
Net (decrease)/increase in cash		**(3.3)**	15.1	**(5.1)**	12.8
Cash at the beginning of the year		**28.8**	18.8	**18.5**	8.9
Effects of exchange rate changes on cash		**(2.7)**	(5.1)	**(2.5)**	(3.2)
Cash at the end of the year		**22.8**	28.8	**10.9**	18.5

The above Consolidated Statements of Cash Flow should be read in conjunction with the accompanying notes.

Investa Office Fund
Consolidated Statements of Changes in Equity
Year ended 30 June 2011

	Note	Investa Office Fund					
		Attributable to unitholders					
		Contributed equity	Reserves	Accumulated Losses	Total	External non-controlling interests	Total Equity
		$m	$m	$m	$m	$m	$m
Balance at 1 July 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 net of issue costs	17	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
Balance at 30 June 2010		**2,308.2**	**(152.0)**	**(130.0)**	**2,026.2**	**20.2**	**2,046.4**
Net profit for the year		-	-	143.9	143.9	9.3	153.2
Other comprehensive income		-	(70.5)	-	(70.5)	(5.0)	(75.5)
Total comprehensive income for the year		-	(70.5)	143.9	73.4	4.3	77.7
Transactions with unitholders in their capacity as equity holders:							
Distributions paid or payable	3	-	-	(106.4)	(106.4)	(0.9)	(107.3)
		-	-	(106.4)	(106.4)	(0.9)	(107.3)
Balance at 30 June 2011		**2,308.2**	**(222.5)**	**(92.5)**	**1,993.2**	**23.6**	**2,016.8**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Investa Office Fund
Consolidated Statements of Changes in Equity
Year ended 30 June 2011

	Note	Prime Credit Property Trust					
		Attributable to unitholders					
		Contributed Equity	Reserves	Accumulated Losses	Total	External non-controlling interests	Total Equity
		$m	$m	$m	$m	$m	$m
Balance at 1 July 2009		**1,082.1**	**(74.2)**	**(76.2)**	**931.7**	**27.1**	**958.8**
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 net of issue costs	17	200.8	-	-	200.8	(8.4)	192.4
Distributions paid or payable	3	-	-	(45.0)	(45.0)	(0.9)	(45.9)
		200.8	-	(45.0)	155.8	(9.3)	146.5
Balance at 30 June 2010		**1,282.9**	**(94.7)**	**(115.8)**	**1,072.4**	**20.2**	**1,092.6**
Net profit for the year		-	-	77.2	77.2	9.3	86.5
Other comprehensive income		-	(43.8)	-	(43.8)	(5.0)	(48.8)
Total comprehensive income for the year		-	(43.8)	77.2	33.4	4.3	37.7
Transactions with unitholders in their capacity as equity holders:							
Distributions paid or payable	3	-	-	(35.7)	(35.7)	(0.9)	(36.6)
		-	-	(35.7)	(35.7)	(0.9)	(36.6)
Balance at 30 June 2011		**1,282.9**	**(138.5)**	**(74.3)**	**1,070.1**	**23.6**	**1,093.7**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. Summary of significant accounting policies

(a) The Group

The Investa Office Fund (formerly 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"). The Fund and Prime were constituted on 23 September 1984 and 12 October 1989, respectively.

The Responsible Entity for the Fund and Prime during the financial year was 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. On 8 July 2011 Investa Listed Funds Management Limited replaced ING Management Limited as the Responsible Entity for the Fund and Prime, refer Note 29.

The accounting policies that have been adopted in respect of this Annual Financial Report are those of ILFML as Responsible Entity of the Fund and Prime.

The Fund and Prime have common business objectives and operate as an economic entity collectively known as Investa Office Fund. The accounting policies included in this note apply for the Group as well as the Fund and Prime, unless otherwise noted.

The stapling structure will cease to operate on the first to occur of:

(a) either members of the Fund or Prime resolving by special resolution in accordance with the relevant constitution to terminate the stapling provisions; or

(b) the commencement of the winding up of either of the Fund or Prime.

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

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(b) Basis of preparation

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 Investa Office Fund (being the consolidated financial statements and notes of the Fund) and Prime.

The financial report is presented in Australian dollars.

These general purposes financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

1. Summary of significant accounting policies (continued)

In preparing these financial statements the Directors of the Responsible Entity note that the Group is in a net current asset deficiency position due to the syndicated bank debt facility expiring in June 2012 of $195.8 million and other external debt of $147.1 million expiring January 2012. Further, the Directors of the Responsible Entity note that Prime is in a net current asset deficiency position due to other external debt of $147.1 million expiring January 2012. As a result the amount drawn of $342.9 million and $147.1 million have been classified as a current liability in the Group and $147.1 million in Prime. Refer Note 15.

On 15 August 2011, an agreement was signed for a new 3 year bank facility with a limit of $552.0 million. The new debt facility will mature on 15 August 2014. The margins are higher than under the previous syndicated debt facility and are reflective of the current market. The Trusts are expected to continue to service their debt from operating cash flow and remain compliant with the loan covenants.

(i) Compliance with IFRS
The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended accounting standards adopted by the Responsible Entity
The Group has applied Accounting Standard AASB 2009-5 Further Amendments to Australian Accounting Standards Arising from the Annual Improvements Project that amended Accounting Standard AASB 117 Leases with effect from 1 July 2010. The amendment removed the specific guidance on the classification of leases of land by a leasee, leaving only the general guidance. The Group leases the land on which one of its investment properties is built. The lease had, as at 1 July 2010, a remaining term of 93 years and future minimum lease rentals payable as at 1 July 2010 of $147.5 million. Because of the amendment, the Group now classifies this lease as a finance lease, instead of an operating lease as previously.

As the Group does not have the information necessary to apply the amendment retrospectively, it has been applied prospectively from 1 July 2010. Accordingly, the adoption of the new policy has no effect on prior years.

The Group recognised at 1 July 2010 a borrowing for the finance lease payable, and an investment property, measured at the fair value of the land at that date of $23.4 million. The difference between the fair value of the finance lease payable and the minimum lease rentals will be recognised as interest expense over the remaining term of the lease.

(iii) Change in Accounting Policy
The Group has changed its accounting policy relating to leasing fee amortisation. Previously leasing fees were amortised through the net change in fair value of investment property in the income statement. From 1 July 2010 leasing fee amortisation has been disclosed in property expenses in the income statement. 2010 comparatives have been adjusted to reflect this change in accounting policy.

The change in classification of leasing fee amortisation does not impact net assets or net profit and is outlined below:

	Investa Office		**Prime Credit**	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Increase in net change in fair value of investment property	**2.1**	1.7	**1.7**	1.2
Increase in property expenses	**(2.1)**	(1.7)	**(1.7)**	(1.2)
Net profit	**-**	-	**-**	-

1. Summary of significant accounting policies (continued)

Other than this amendment, the accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

(iv) Historical cost convention
These financial statements have been prepared on the going concern basis and historical cost conventions, as modified by financial assets and liabilities (including derivative financial instruments) at fair value through profit or loss, and investment property.

(v) Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management 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 in Note 2.

(c) Principles of consolidation

(i) Subsidiaries
The Group's consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Armstrong Jones Office Fund (the Parent) and its subsidiaries (including Prime and its subsidiaries) as at 30 June 2011 and the results of all subsidiaries for the year then ended. Prime's consolidated financial statements comprise Prime and its subsidiaries as at 30 June 2011 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies and generally accompanies a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

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

Intercompany transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

(ii) Associates
Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Distributions receivable from associates are recognised as a reduction in the carrying amount of the investment.

1. Summary of significant accounting policies (continued)

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with accounting policies adopted by the Group.

(d) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Directors of the responsible entity.

(e) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Australian dollars, which is the Fund's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains or losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

1. Summary of significant accounting policies (continued)

(iii) Group entities
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency (Australian dollar) are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold the cumulative exchange difference in relation to that foreign operation is reclassified to profit or loss, as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(f) Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Rental income
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 over the life of the lease.

(ii) Interest income
Interest income is recognised using the effective interest method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(iii) Distributions
Distributions are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence, refer Note 1(i).

1. Summary of significant accounting policies (continued)

(g) Income tax

(i) Australian income tax

Under current legislation, the Group is not liable for Australian income tax, provided that the distributable income calculated in accordance with the constitution of the trusts is fully distributed to unitholders each year.

(ii) Foreign income tax

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.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liabilities in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where it is probable that the differences will reverse in the foreseeable future as a result of the planned sale of the offshore Investments.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset when the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1. Summary of significant accounting policies (continued)

(h) 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.

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

Operating lease payments, where the Group is lessee, are recognised as an expense in the income statement on a straight-line basis over the term of the lease.

(i) Impairment of assets

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 cost 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 which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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 provision for impairment. Trade receivables are generally due for settlement within 30 days. They are presented as current unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (allowance for impairment loss of the receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

1. Summary of significant accounting policies (continued)

(l) Assets classified as held for sale

Non-current assets which are held by the Group are classified as held for sale if their carrying amount will be principally recovered through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for investment property that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

(m) Business combinations

The acquisition method of accounting is used for all acquisitions of assets, including business combinations involving businesses, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest over the fair value of the Group’s share of the identifiable net assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity’s incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(n) Financial assets and liabilities

Current and non-current financial assets and liabilities of the Group which are within the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as at fair value through profit or loss or loans and receivables. 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 values of financial assets and liabilities classified as fair value through profit or loss are recorded in the income statement.

1. Summary of significant accounting policies (continued)

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 statement of financial position 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.

(o) 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. Derivative financial instruments are not held for speculative purposes and are recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair values depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

(i) Share of the Group's investment in the Dutch Office Fund (DOF) cash flow hedge reserve

The DOF investment has a hedge which is classified as a cash flow hedge as it hedges a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions.

The movement in the Group's share of DOF's cash flow hedge reserve is shown in Note 18. As the DOF investment was reclassified to a financial asset held at fair value through profit or loss from 4 April 2011, the Group no longer recognises its share of DOF's cash flow hedge. The balance in the cash flow hedge reserve at that date was transferred to the profit and loss.

(ii) Net investment hedges

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within other income or other expenses.

Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(iii) Other derivatives

The Group's other derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other income or other expenses.

(p) Investment properties

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 and equipment, are not depreciated. Investment properties are carried at fair value.

1. Summary of significant accounting policies (continued)

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. 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. The fair value of each investment property is reviewed every six months and external valuations may be required whenever their carrying value differs materially to their fair values.

In the absence of current prices in an active market, 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, are considered.

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.

(q) Trade and other payables
These represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(r) 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 statement of financial position 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.

(s) Contributed equity
Issued units are classified as equity. 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.

1. Summary of significant accounting policies (continued)

(t) Distributions
A liability for any distribution declared on or before the end of the reporting period is recognised on the statement of financial position in the reporting period to which the distribution pertains.

(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 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 part of the 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 other receivables or payables in the statement of financial position 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) Rounding of amounts
The Trust and the Fund 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 the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest hundred thousand dollars, or in certain cases, the nearest thousand dollars.

(x) New accounting standards and interpretations
Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 9 *Financial Instruments* is currently applicable to annual reporting periods beginning on or after 1 January 2013. It includes requirements for the classification and measurement of financial assets resulting from the first part of Phase 1 of the IASB's project to replace IAS 39 *Financial Instruments: Recognition and Measurement (AASB 139 Financial Instruments: Recognition and Measurement)*. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The Group has not early adopted this standard and is currently evaluating its impact on the Group's financial statements; any impact is not expected to be significant.

IFRS 10 *Consolidated Financial Statements* is applicable to annual reporting periods beginning on or after 1 January 2013. It broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. The Group has not early adopted this standard and is currently evaluating its impact on the Group's financial statements; any impact is not expected to be significant.

1. Summary of significant accounting policies (continued)

IFRS 12 *Disclosure of Interests in Other Entities* is applicable to annual reporting periods beginning on or after 1 January 2013. It includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. The Group has not early adopted this standard and is currently evaluating its impact on the Group's financial statements; any impact is not expected to be significant.

IFRS 13 *Fair Value Measurement* is applicable to annual reporting periods beginning on or after 1 January 2013. It establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. It does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 11 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. The Group has not early adopted this standard and is currently evaluating its impact on the Group's financial statements; any impact is not expected to be significant.

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 Group's financial report in future reporting periods.

(y) Parent entity financial information

The financial information for the parent entity, disclosed in Note 25 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries and associates

Investments in subsidiaries and associates are accounted for at cost in the financial statements of the Parent. Distributions received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

2. Critical 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 may have a financial impact on the entity and 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.

(i) Investment properties

The Group had investment properties with a carrying amount of $1,982.4 million (Prime Group: $1,032.8 million) (30 June 2010: Group $1,923.8 million; Prime Group $1,033.3 million) (refer Note 11), representing estimated fair value. In addition, the carrying amount of the Group's equity accounted investments of $73.8 million (Prime Group: $25.2 million) (30 June 2010: Group $510.4 million; Prime Group: $99.2 million) (refer Note 12(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.

(ii) Financial asset at fair value through profit or loss

The Group had financial asset at fair value through profit or loss of $301.4 million (30 June 2010: nil). The fair value of this investment is determined by an assessment of the underlying assets, future maintainable earnings and specific circumstances pertaining to this investment. Refer Note 13.

(iii) Income taxes

The Group is subject to income taxes in jurisdictions where its foreign assets are domiciled. Judgement is required in determining the Group's provision for income taxes. There are certain calculations undertaken during the ordinary course of business for which the ultimate determination is uncertain in certain jurisdictions. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination was made.

(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.

3. Distributions

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
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**	0.975	**0.242**	0.673
Quarter ended 31 December	**0.975**	0.975	**0.630**	-
Quarter ended 31 March	**0.975**	0.975	**0.436**	-
Quarter ended 30 June	**0.975**	0.975	**-**	0.975
	3.900	3.900	**1.308**	1.648
	$m	**$m**	**$m**	**$m**
The total amounts of these distributions were:				
Quarter ended 30 September	**26.6**	26.6	**6.6**	18.4
Quarter ended 31 December	**26.6**	26.6	**17.2**	-
Quarter ended 31 March	**26.6**	26.6	**11.9**	-
Quarter ended 30 June	**26.6**	26.6	**-**	26.6
	106.4	106.4	**35.7**	45.0
Distributions to external non-controlling interest	**0.9**	0.9	**0.9**	0.9
Total distributions paid or payable	**107.3**	107.3	**36.6**	45.9

The distribution for the quarter ended 30 June 2010 was recognised in the 2010 financial year and paid on 31 August 2010. The distribution for the quarter ended 30 June 2011 was recognised in the 2011 financial year and is scheduled to be paid on 31 August 2011.

4. Earnings per unit

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
(a) Per stapled unit				
Profit attributable to unitholders ($ million)	**143.9**	42.5	**na**	na
Weighted average number of units outstanding (millions)	**2,729.1**	2,707.0	**na**	na
Basic and diluted earnings per unit (cents)	**5.3**	1.6	**na**	na
(b) Per unit of each Trust				
Profit attributable to unitholders ($ million)	**66.7**	37.1	**77.2**	5.4
Weighted average number of units outstanding (millions)	**2,729.1**	2,707.0	**2,729.1**	2,707.0
Basic and diluted earning per unit (cents)	**2.5**	1.4	**2.8**	0.2

5. Expenses

Profit before income tax includes the following specific expenses:

(a) Finance Costs

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Interest and finance charges paid/payable for financial liabilities		**20.0**	24.6	**11.5**	11.9
Share of reserves for net loss on cash flow hedge transferred to profit and loss		**1.5**	-	**-**	-
Amount capitalised to investment property [1]		**(4.7)**	(2.9)	**(0.7)**	(1.2)
		16.8	21.7	**10.8**	10.7

(1) The capitalisation rate used to determine the amount of borrowing costs to be capitalised is the weighted average interest rate applicable to the entity's outstanding borrowings during the year, in this case 4.5% (2010: 4.8%).

(b) Capital transaction costs

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Capital transaction costs invoiced [1]	**6.8**	-	**3.3**	-
Reimbursed from IML	**(1.1)**	-	**-**	-
Capital transaction cost incurred	**5.7**	-	**3.3**	-

(1) Includes $0.6 million recharge for costs incurred by ING Real Estate Corporate Services Pty Ltd on behalf of the Group.

Capital transaction costs include costs incurred primarily to assist IML, which was the Responsible Entity up to 8 July 2011, to consider strategic alternatives for the Group. These costs include legal fees, investment banker fees and vendor due diligence fees. The majority of the costs were incurred prior to 4 April 2011.

6. Income tax expense

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
(a) Income tax expense/(benefit)					
Current tax		**6.1**	2.5	**5.3**	(0.8)
Increase/(decrease) in deferred tax liabilities	16	**37.7**	(9.0)	**35.3**	0.7
		43.8	(6.5)	**40.6**	(0.1)
(b) Numerical reconciliation of income expense to prima facie tax payable					
Profit before income tax		**197.0**	39.2	**127.1**	8.5
Income tax at the Australian tax rate of 30% (2010: 30%)		**59.1**	11.8	**38.1**	2.6
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:					
Australian income		**(33.5)**	(14.6)	**(9.1)**	(0.8)
Other non-taxable income		**3.6**	(4.3)	**-**	(4.1)
Foreign income not subject to income tax		**(4.5)**	-	**(1.8)**	-
Difference between Australian and foreign tax rates		**9.4**	1.0	**3.4**	1.3
Movement in deferred tax assets not recognised		**(3.9)**	(0.4)	**(3.6)**	0.9
Applied change in foreign tax rate		**13.6**	-	**13.6**	-
Income tax expense/(benefit)		**43.8**	(6.5)	**40.6**	(0.1)

7. Cash and cash equivalents

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
(a) Cash and cash equivalents		**$m**	$m	**$m**	$m
Cash at bank and in hand	22	**22.8**	26.0	**10.9**	17.7
Short term deposits	22	**-**	2.8	**-**	0.8
		22.8	28.8	**10.9**	18.5

(b) Risk exposure

The Group's exposure to interest rate risk is discussed in Note 22. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

8. Trade and other receivables

	Note	Investa Office Fund 2011 $m	Investa Office Fund 2010 $m	Prime Credit Property Trust 2011 $m	Prime Credit Property Trust 2010 $m
Current	22				
Rental and other amounts due (1)		**3.6**	5.6	**1.7**	3.1
Receivables from equity accounted investments	24	**1.0**	0.9	**-**	0.7
Allowance for impairment loss		**(0.3)**	(0.3)	**(0.2)**	(0.2)
Accrued income, prepayments and deposits		**0.8**	0.3	**0.1**	0.2
		5.1	6.5	**1.6**	3.8
Non-current	22				
Loan to equity accounted investments	24	**68.2**	73.4	**-**	-
Loan to stapled entity (2)		**-**	-	**231.8**	198.6
		68.2	73.4	**231.8**	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. The loan is classified as non-current as repayment is not expected to be received within 12 months.

9. Assets classified as held for sale

	Investa Office Fund 2011 $m	Investa Office Fund 2010 $m	Prime Credit Property Trust 2011 $m	Prime Credit Property Trust 2010 $m
(a) Assets classified as held for sale				
Investment in Waltham Winter Street Group (1)	**38.4**	-	**38.4**	-
	38.4	-	**38.4**	-
(b) Movement in carrying amount				
Balance at the beginning of the year	**-**	-	**-**	-
Transferred from investments accounted for using the equity method	**38.4**	-	**38.4**	-
Balance at the end of the year	**38.4**	-	**38.4**	-

(1) At 30 June 2011 the 50% interest in Waltham Winter Street Group has been classified as an asset held for sale, as the investment was being actively marketed for sale. On 9 August 2011 this investment was sold for net sale proceeds of USD $41.1 million, which reflects the carrying value at 30 June 2011.

10. Derivative financial instruments

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Current assets	22				
Forward foreign exchange contracts		**6.0**	3.4	**1.3**	0.6
Non-current assets	22				
Forward foreign exchange contracts		**6.7**	6.8	**0.9**	0.2
Current liabilities	22				
Forward foreign exchange contracts		**0.1**	-	**0.1**	-
Interest rate swap contracts		**1.9**	5.1	**0.8**	-
		2.0	5.1	**0.9**	-
Non-current liabilities	22				
Forward foreign exchange contracts		**-**	0.3	**-**	0.3
Interest rate swap contracts		**11.5**	19.7	**10.4**	10.8
		11.5	20.0	**10.4**	11.1

11. Investment properties

(a) Summary of carrying amounts

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Investment properties	**1,982.4**	1,923.8	**1,032.8**	1,033.3
Liabilities:				
Current - finance lease payable (1)	**1.4**	-	**1.4**	-
Non-current - finance lease payable (1)	**20.9**	-	**20.9**	-
Total liabilities	**22.3**	-	**22.3**	-
Total property valuations	**1,960.1**	1,923.8	**1,010.5**	1,033.3

(1) Refer Note 11(b)(5).

11. 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	2011	2010	2011	2010	2011	2010
		$m		$m	$m	$m	%	%	%	%
Non-current										
Armstrong Jones Office Fund										
10-20 Bond St										
Sydney NSW (4)	Jun 89	290.0	Dec 09	85.0	127.1	96.5	7.5%	7.5%	9.3%	9.3%
Hitachi Complex										
Brisbane Qld	Jul 98	127.1	Jun 10	178.5	177.5	178.5	8.8%	8.8%	9.5%	9.5%
347 Kent St										
Sydney NSW	Jan 99	237.1	Jun 10	250.0	259.0	250.0	6.8%	6.8%	9.0%	9.0%
Times Square										
16-18 Mort St Canberra ACT	Mar 01	58.8	Dec 10	42.0	41.5	45.4	9.3%	9.0%	9.8%	9.8%
QBE House										
628 Bourke St Melbourne Vic	Oct 01	85.5	Dec 10	82.8	88.2	82.6	7.8%	8.5%	9.5%	9.5%
Wellington Central										
Perth WA	Sep 07	84.8	Jun 10	62.5	66.3	62.5	8.3%	8.5%	9.8%	9.8%
NRMA Centre										
388 George St Sydney NSW	Oct 02	160.1	Jun 11	190.0	190.0	175.0	7.0%	7.0%	9.0%	9.0%
		1,043.4		890.8	949.6	890.5	7.6%	7.7%	9.3%	9.3%

Investa Office Fund
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11. Investment properties (continued)

Property	Date of purchase	Cost to date	Latest external valuation		Carrying amount		Capitalisation rate		Discount rate	
			Date	Valuation	2011	2010	2011	2010	2011	2010
		$m		$m	$m	$m	%	%	%	%
Non-current										
Prime Credit Property Trust										
Royal Mint Centre										
383 Latrobe St Melbourne Vic	Feb 94	35.3	Jun 10	47.5	48.8	47.5	8.3%	9.5%	9.8%	9.8%
1230 Nepean Hwy										
Cheltenham Vic	Jul 94	-	-	-	-	21.5	-	9.3%	-	9.8%
Coles Group Headquarters										
800 Toorak Rd Tooronga Vic	Jun 97	61.7	Jun 10	60.0	60.0	60.0	9.3%	8.8%	9.5%	9.3%
Australian Government Centre										
Brisbane Qld	May 98	182.6	Jun 11	276.0	276.0	255.0	8.4%	8.6%	9.3%	9.4%
Campus MLC 105-151 Miller St										
North Sydney NSW	Dec 98	117.0	Jun 11	140.0	140.0	141.0	8.3%	8.3%	9.3%	9.5%
151 Clarence St										
Sydney NSW	Nov 02	61.0	Jun 10	76.5	80.0	76.5	7.8%	8.0%	9.3%	9.3%
111 Pacific Hwy										
North Sydney NSW	May 04	113.0	Dec 10	104.5	108.0	103.7	8.3%	8.3%	9.5%	9.8%
Computer Associates Plaza										
Plano Texas USA	Aug 04	52.3	Jun 09	39.0	34.7	42.1	8.3%	8.5%	9.0%	9.0%
Homer Building (5)										
601 13th St Was DC USA	May 05 (6)	241.6	Dec 10	263.0	263.0	286.0	5.4%	7.1%	7.3%	8.0%
		864.5		1,006.5	1,010.5	1,033.3	7.6%	8.1%	8.8%	9.1%
Total investment properties (1) (2) (3)		1,907.9		1,897.3	1,960.1	1,923.8	7.6%	7.9%	9.0%	9.1%

11. Investment properties (continued)

footnotes

(1) 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(p). The cost of a property acquired during the year approximates its fair value.

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

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

(4) 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 approximately 70% re-leased by December 2011 and 100% re-leased by June 2012.

(5) The valuation and carrying amounts shown for the Homer Building are net of the related finance lease payable (being the long term ground lease for the property). This lease has been recorded separately in the statement of financial position; the amounts recognised are included in Note 11(a).

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

11. Investment properties (continued)

(c) Movements in carrying amounts

		Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
	Note	**$m**	$m	**$m**	$m
Completed investment property					
Carrying amount at beginning of year		**1,923.8**	2,196.1	**1,033.3**	1,236.5
Exchange rate fluctuations		**(74.8)**	(22.9)	**(74.8)**	(21.8)
Additions to existing property		**81.8**	39.1	**41.1**	21.0
Capitalised Interest		**4.7**	2.9	**0.7**	1.2
Disposals		**(21.0)**	(214.7)	**(21.0)**	(161.3)
Adjustment on change of accounting policy	1(b)	**23.4**	-	**23.4**	-
Amortisation of tenant incentives and leasing fees	1(b)	**(12.3)**	(8.4)	**(10.7)**	(7.1)
Straight line lease revenue recognition		**1.2**	3.6	**0.8**	0.9
Net change in fair value		**55.6**	(71.9)	**40.0**	(36.1)
Carrying amount at end of year		**1,982.4**	1,923.8	**1,032.8**	1,033.3

(d) Tenant incentives and leasing commissions (included in the carrying amounts above)

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Cost	**105.5**	64.0	**88.6**	54.8
Accumulated amortisation	**(35.4)**	(24.9)	**(30.4)**	(21.5)
	70.1	39.1	**58.2**	33.3

(e) Leasing arrangements

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly.

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Within one year	**149.7**	146.7	**77.7**	79.0
Later than one year but not later than five years	**467.6**	491.1	**177.8**	209.6
Later than five years	**127.1**	208.9	**22.3**	71.6
	744.4	846.7	**277.8**	360.2

(f) Non-current assets pledged as security.

Refer to Note 15 for information on non-current assets pledged as security by the Group.

11. Investment properties (continued)

(g) Amounts recognised in profit or loss for investment properties

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Rental income	**167.8**	180.7	**94.9**	99.8
Other property income	**21.8**	25.3	**15.3**	16.7
Direct operating expenses from property that generated rental income	**(34.5)**	(35.9)	**(19.3)**	(20.9)
Direct operating expenses from property that did not generate rental income	**(16.7)**	(22.2)	**(14.0)**	(19.2)
	138.4	147.9	**76.9**	76.4

(h) Contractual obligations

Refer to Note 20 for disclosure of commitments for capital expenditure on investment property contracted but not provided for at reporting date.

12. Investments accounted for using the equity method

(a) Details of investments in associates

Name	Principal activity	Ownership interest	
		2011	2010
Armstrong Jones Office Fund			
DOF Master Fund CV [(1)]	Real estate investment	**-**	13.46%
DOF Master Fund CVII [(1)]	Real estate investment	**-**	13.46%
DOF Development Fund CV [(1)]	Real estate investment	**-**	13.46%
ING Reboi SA	Real estate investment	**50.00%**	50.00%
Neuilly Victor Hugo	Real estate investment	**50.00%**	50.00%
Prime Credit Property Trust			
2980 Fairview Park LLC [(2)]	Real estate investment	**50.00%**	50.00%
900 Third Avenue LP	Real estate investment	**49.00%**	49.00%
Waltham Winter Street Group[(3)]	Real estate investment	**-**	50.00%
IOF Finance Pty Ltd[(4)]	Financial Services	**50.00%**	50.00%

(1) On 4 April 2011, ING Real Estate Investment Management, the owner of ING Management Limited, transferred the management rights of the Group to Investa Property Group. The Directors concluded that the Group no longer had significant influence over the DOF investment subsequent to the transfer of management rights. Equity accounting has been applied until 4 April 2011. Post 4 April 2011 the investment in DOF has been accounted for as a financial asset at fair value through profit or loss. Refer Note 13.

(2) The property held within this entity was sold during the year.

(3) This investment has been classified as an asset held for sale at 30 June 2011, refer Note 9 for details.

(4) This investment is an associate of Prime Credit Property Trust only and consolidated in the Group financial report.

12. Investments accounted for using the equity method (continued)

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
(b) Share of assets and liabilities				
Total assets	**338.8**	910.3	**159.9**	274.2
Total liabilities	**(265.0)**	(399.9)	**(134.7)**	(175.0)
Net assets	**73.8**	510.4	**25.2**	99.2
(c) Share of results				
Revenue	**65.9**	88.5	**24.1**	29.1
Gain on change in fair value of:				
Investment properties	**25.1**	(49.3)	**25.1**	(6.2)
Derivative financial instruments	**3.2**	(6.7)	**0.7**	(5.4)
Expenses	**(47.3)**	(55.4)	**(20.0)**	(24.3)
Profit/(loss) before income tax	**46.9**	(22.9)	**29.9**	(6.8)
Income tax expense	**-**	(0.1)	**-**	-
Profit/(loss) for the year	**46.9**	(23.0)	**29.9**	(6.8)
(d) Movements in carrying amounts				
Balance at the beginning of the year	**510.4**	656.4	**99.2**	111.1
Share of profits after income tax	**46.9**	(23.0)	**29.9**	(6.8)
Distributions	**(59.8)**	(31.9)	**(45.8)**	(0.1)
Movement in reserves	**1.3**	(0.1)	**-**	-
Transfer to assets classified as held for sale	**(38.4)**	-	**(38.4)**	-
Transfer to financial asset at fair value through profit or loss	**(342.1)**	-	**-**	-
Effect of exchange rate movements	**(44.5)**	(91.0)	**(19.7)**	(5.0)
Balance at the end of the year	**73.8**	510.4	**25.2**	99.2

13. Financial asset at fair value through profit or loss

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
(a) Non current financial assets at fair value through profit or loss				
Dutch Office Fund (13.5%)	**301.4**	-	**-**	-
	301.4	-	**-**	-
(b) Movement in carrying amount				
Balance at the beginning of the year	**-**	-	**-**	-
Transferred from investments accounted for using the equity method	**342.1**	-	**-**	-
Fair value loss	**(36.2)**	-	**-**	-
Effect of exchange rate movements	**(4.5)**	-	**-**	-
Balance at the end of the year	**301.4**	-	**-**	-

The above financial asset has been designated as financial asset at fair value through profit or loss from the date it ceased to be investments accounted for using the equity method. The fair value of this investment has been determined by applying a discount for liquidity, size of the investment and valuation risk to the reported net assets. Information about the Group's exposure to foreign exchange risk is provided in Note 22.

14. Trade and other payables

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Current liabilities					
Trade payables		**9.2**	17.6	**4.9**	12.0
Payables to equity accounted investments	24	**3.4**	5.9	**-**	-
Other payables		**17.0**	6.4	**13.0**	2.6
		29.6	29.9	**17.9**	14.6

Information about the Group's exposure to foreign exchange risk is provided in Note 22.

15. Borrowings

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Current liabilities					
Other external debt - secured	(a)	**147.1**	-	**147.1**	-
Syndicated bank debt - unsecured	(b)	**195.8**	-	**-**	-
Finance leases - unsecured		**1.4**	-	**1.4**	-
		344.3	-	**148.5**	-
Non-current liabilities					
Other external debt - secured	(a)	**-**	186.8	**-**	186.8
Syndicated bank debt - unsecured	(b)	**-**	215.8	**-**	-
Finance leases - unsecured		**20.9**	-	**20.9**	-
		20.9	402.6	**20.9**	186.8

(a) Other external debt

This liability includes minority interest share and is denominated in United States dollars. The Homer Building in Washington, DC that is pledged as security for this loan which had a carrying amount at reporting date of $263.0 million (30 June 2010: $286.0 million), including minority interest share. This loan matures in January 2012.

(b) Bank debt

The syndicated bank debt has a limit of $855.0 million expiring in June 2012. The undrawn facility at 30 June 2011 was $659.2 million (30 June 2010: $638.8 million). The borrowing at reporting date was $20.0 million denominated in Australian dollars and $175.8 million denominated in Euros (30 June 2010: $26.6 million and $189.2 million respectively). Prime Group borrowings under the syndicated bank debt was nil at reporting date (30 June 2010: nil).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.

The Group complied with the syndicate debt facility financial ratios and negative pledge during the year.

On 15 August 2011, an agreement was signed for a new 3 year bank facility with a limit of $552.0 million. The new debt facility will mature on 15 August 2014. The margins are higher than under the previous syndicated debt facility and are reflective of the current market. The Trusts are expected to continue to service their debt from operating cash flow and remain compliant with the loan covenants.

(c) Fair value disclosures

Information about the fair value of each of the borrowings is set out in Note 22.

(d) Risk exposures

Details of the Group's exposure to risks arising from current and non-current borrowings are set out in Note 22.

16. Non-current deferred tax liabilities

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
The balance comprises temporary differences attributable to investment properties	**53.1**	22.5	**50.6**	22.5
Deferred tax expense/(benefit) recognised in the income statement in respect of deferred tax liabilities is attributable to temporary differences arising from investment properties	**37.7**	(9.0)	**35.3**	0.7
Deductible temporary differences for which no deferred tax asset has been recognised	**39.9**	47.2	**39.9**	47.2
Potential tax benefit	**14.0**	7.1	**14.0**	7.1

17. Contributed equity

(a) Balances

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Balance at beginning of year		**2,308.2**	1,906.7	**1,282.9**	1,082.1
Issued during the year:					
Placements and rights issues		**-**	415.2	**-**	207.6
Unit issue costs		**-**	(13.7)	**-**	(6.8)
Balance at end of year		**2,308.2**	2,308.2	**1,282.9**	1,282.9
The closing balance is attributable to the unitholders of:					
Armstrong Jones Office Fund		**1,025.3**	1,025.3	**-**	-
Prime Credit Property Trust		**1,282.9**	1,282.9	**1,282.9**	1,282.9
		2,308.2	2,308.2	**1,282.9**	1,282.9

(b) Number of issued units

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	millions	millions	**millions**	millions
At beginning of year	**2,729.1**	1,806.5	**2,729.1**	1,806.5
Issued during the year:				
Placements and rights issues	**-**	922.6	**-**	922.6
At beginning and end of year	**2,729.1**	2,729.1	**2,729.1**	2,729.1

(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.

17. Contributed equity (continued)

(d) Capital risk management

Refer to Note 21 for the Group's Capital risk management strategy.

18. Reserves

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Foreign currency translation				
Balance at beginning of year	**(149.2)**	(46.2)	**(94.7)**	(74.2)
Translation differences arising during the year	**(73.3)**	(103.0)	**(43.8)**	(20.5)
Balance at end of year	**(222.5)**	(149.2)	**(138.5)**	(94.7)
Share of reserve for net loss on cash flow hedge held by equity accounted investment				
Balance at beginning of year	**(2.8)**	(2.7)	**-**	-
Share of reserve movement	**1.3**	(0.1)	**-**	-
Transfer to profit and loss	**1.5**	-	**-**	-
Balance at end of year	**-**	(2.8)	**-**	-
Total reserves at end of year	**(222.5)**	(152.0)	**(138.5)**	(94.7)
The closing balance is attributable to the unitholders of:				
Armstrong Jones Office Fund	**(84.0)**	(57.3)	**-**	-
Prime Credit Property Trust	**(138.5)**	(94.7)	**(138.5)**	(94.7)
	(222.5)	(152.0)	**(138.5)**	(94.7)

Nature and purpose of the reserves

(a) The foreign currency translation reserve includes:

(i) Translation of foreign controlled entities

Exchange differences arising on translation of the foreign controlled entity are recognised in other comprehensive income as described in note 1(e) and accumulated in a reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is partly disposed of or sold.

(ii) Net investment hedges

Hedges of net investments in foreign operations are accounted for as described in Note 1(o). Gains and losses accumulated in equity are reclassified to profit or loss when the foreign operation is partially disposed of or sold.

(b) Share of reserve for net loss on cash flow hedge by equity accounted investment

The hedging reserve is used to record gains or losses on a hedging instrument in a cash flow hedge that are recognised in other comprehensive income, as described in Note 1(o). Amounts are reclassified to profit or loss when the associated hedged transaction affects profit or loss.

19. Accumulated losses

Accumulated losses attributable to unitholders of the Group:

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$m	$m	**$m**	$m
Balance at beginning of year		**(130.0)**	(66.1)	**(115.8)**	(76.2)
Net profit for the year		**143.9**	42.5	**77.2**	5.4
Distributions paid or payable	3	**(106.4)**	(106.4)	**(35.7)**	(45.0)
Balance at end of year		**(92.5)**	(130.0)	**(74.3)**	(115.8)
The closing balance is attributable to the unitholders of:					
Armstrong Jones Office Fund		**(18.2)**	(14.2)	**-**	-
Prime Credit Property Trust		**(74.3)**	(115.8)	**(74.3)**	(115.8)
		(92.5)	(130.0)	**(74.3)**	(115.8)

20. Commitments

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

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Within one year	**7.7**	56.3	**6.3**	29.8
Later than one year but not later than five years	**-**	10.7	**-**	10.7
Later than five years	**-**	-	**-**	-
	7.7	67.0	**6.3**	40.5

(a) Operating lease

The Group leases the land on which the Homer Building investment property is built. The lease has a remaining term of 93 years.

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

	2011	2010
	$m	$m
Within one year	**-**	1.6
Later than one year but not later than five years	**-**	6.3
Later than five years	**-**	139.6
	-	147.5

The Group now classifies this lease as a finance lease, with effect 1 July 2010. Refer Note 1(b)(ii) for disclosure of new and amended accounting standards adopted by the Responsible Entity and Note 20(b) for disclosure as a finance lease.

(b) Finance lease

The Group leases the land on which the Homer Building investment property is built. The lease has a remaining term of 93 years and a carrying amount at 30 June 2011 of $22.3million (30 June 2010: nil). Prior to 1 July 2010 this lease was classified as an operating lease and disclosed in Note 20 (a).

20. Commitments (continued)

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Commitments in relation to finance lease are payable as follows:				
Within one year	**1.4**	-	**1.4**	-
Later than one year but not later than five years	**5.9**	-	**5.9**	-
Later than five years	**128.6**	-	**128.6**	-
Minimum lease payments	**135.9**	-	**135.9**	-
Future finance charges not recognised as a liability	**113.6**	-	**113.6**	-
	22.3	**-**	**22.3**	**-**
The present value of finance lease liabilities is as follows:				
Within one year	**1.4**	-	**1.4**	-
Later than one year but not later than five years	**4.7**	-	**4.7**	-
Later than five years	**16.2**	-	**16.2**	-
Minimum lease payments	**22.3**	-	**22.3**	-

21. 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.

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%.

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21. Capital management (continued)

At 30 June 2011, the Leverage Ratio was 27.4% (30 June 2010: 28.8%), calculated as follows:

	Investa Office Fund	
	2011	2010
	$m	$m
Total consolidated liabilities	**488.0**	506.7
Plus share of liabilities of financial asset at fair value through profit or loss	**81.9**	-
Plus share of liabilities of equity accounted investments	**265.0**	399.9
Plus share of liabilities of assets classified as held for sale	**0.3**	-
Less elimination of receivables from and payables to equity accounted investments	**(72.6)**	(80.2)
Total look-through liabilities	**762.6**	826.4
Total consolidated assets	**2,504.8**	2,553.1
Less financial asset at fair value through profit or loss	**(301.4)**	-
Less equity accounted investments	**(73.8)**	(510.4)
Less assets classified as held for sale	**(38.4)**	-
Plus share of assets of financial asset at fair value through profit or loss	**383.3**	-
Plus share of assets of equity accounted investments	**338.8**	910.3
Plus share of assets of assets classified as held for sale	**38.7**	-
Less elimination of receivables from and payables to equity accounted investments	**(72.6)**	(80.2)
Total look-through assets	**2,779.4**	2,872.8
Leverage ratio	**27.4%**	28.8%

The leveraged ratio is also used to determine compliance with the Group's syndicated bank debt facility as at 30 June 2011. Refer Note 15(b) for details.

21. Capital management (continued)

In addition, the Group monitors the ratio of debt to total assets adjusted for minority interest (“Gearing Ratio”), calculated on a proportional consolidation basis. At 30 June 2011, the gearing ratio was 20.5% (30 June 2010: 23.2%), calculated as follows:

	Investa Office Fund	
	2011	2010
	$m	$m
Total consolidated borrowings	**365.2**	402.6
Plus share of debt of equity accounted investments	**178.0**	289.3
Plus share of debt of financial asset at fair value through profit or loss	**62.5**	-
Less external non-controlling interest share of property level debt	**(29.4)**	(37.6)
Less finance lease liability	**(22.3)**	-
Net look-through debt	**554.0**	654.3
Total consolidated assets	**2,504.8**	2,553.1
Less financial asset at fair value through profit or loss	**(301.4)**	-
Less equity accounted investments	**(73.8)**	(510.4)
Less assets classified as held for sale	**(38.4)**	-
Plus share of assets of financial asset at fair value through profit or loss	**383.3**	-
Plus share of assets of equity accounted investments	**338.8**	910.3
Plus share of assets of assets classified as held for sale	**38.7**	-
Less external non-controlling interest in assets	**(57.1)**	(57.4)
Less elimination of receivables from and payables to equity accounted investments	**(72.6)**	(80.2)
Less finance lease liability	**(22.3)**	-
Total look-through assets (adjusted for minority interest)	**2,700.0**	2,815.4
Gearing ratio	**20.5%**	23.2%

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.

22. Financial risk management

(a) Introduction

The Group’s principal financial instruments comprise receivables, payables, interest bearing liabilities, other financial liabilities, cash and short-term deposits, financial asset at fair value through profit or loss and derivative financial instruments.

The main risks arising from the Group’s financial instruments are market risk (including interest rate risk and 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 governing 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 a forecast is 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 2011, after taking into account the effect of interest rate swaps, approximately 78% of the Group's borrowings are at a fixed rate of interest (30 June 2010: 93%) (Prime Group: 100%; 30 June 2010: 100%).

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.

22. Financial risk management (continued)

(c) Interest rate risk exposure

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

30 June 2011	Investa 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	22.8	-	-	-	22.8
Loans to equity accounted investments	-	-	-	68.2	68.2
Financial liabilities					
Bank debt denominated in AUD	20.0	-	-	-	20.0
Bank debt denominated in €	175.8	-	-	-	175.8
Finance leases	-	1.4	4.7	16.2	22.3
Other external debt denominated in USD	-	147.1	-	-	147.1
Interest rate swaps:					
- denominated in USD; Group pays fixed rate (1)	(93.3)	-	93.3	-	-
- denominated in €; Group pays fixed rate	(54.1)	-	54.1	-	-
Weighted average interest rates					
Financial assets					
Cash at bank	4.0%	-	-	-	na
Loans to equity accounted investments	-	-	-	6.0%	na
Financial liabilities					
Bank debt denominated in AUD	5.2%	-	-	-	na
Bank debt denominated in €	1.3%	-	-	-	na
Finance leases	-	6.5%	6.5%	6.5%	na
Other external debt denominated in USD	-	5.4%	-	-	na
Interest rate swaps:					
- denominated in USD; Group pays fixed rate	0.2%	-	4.7%	-	na
- denominated in €; Group pays fixed rate	1.5%	-	3.9%	-	na

(1) This is a forward start interest rate swap for USD 100 million 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.

22. Financial risk management (continued)

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

30 June 2010	Investa 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; Group pays fixed rate (1)	(118.9)	-	118.9	-	-
- denominated in €; Group pays fixed rate	(189.9)	-	189.9	-	-
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; Group pays fixed rate	0.5%	-	4.7%	-	na
- denominated in €; Group pays fixed rate	0.8%	-	3.9%	-	na

(1) This is a forward start interest rate swap for USD 100 million 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.

22. Financial risk management (continued)

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

30 June 2011	**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	10.9	-	-	-	10.9
Financial liabilities					
Finance leases	-	1.4	4.7	16.2	22.3
Other external debt denominated in USD	-	147.1	-	-	147.1
Interest rate swaps:					
- denominated in USD; Group pays fixed rate (1)	(93.3)	-	93.3	-	-
Weighted average interest rates					
Financial assets					
Cash at bank	4.6%	-	-	-	na
Financial liabilities					
Finance leases	-	6.5%	6.5%	6.5%	na
Other external debt denominated in USD	-	5.4%	-	-	na
Interest rate swaps:					
- denominated in USD; Fund pays fixed rate	0.2%	-	4.7%	-	na

(1) This is a forward start interest rate swap for USD100 million commencing on 19 February 2012 for a term of seven years at a fixed rate of 4.67%.

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

22. Financial risk management (continued)

The Prime Group's exposure to interest rate risk and the effective interest rates on financial assets and liabilities at the end of the previous financial year 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 USD 100 million commencing on 19 February 2012 for a term of seven years at a fixed rate of 4.67%.

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

22. Financial risk management (continued)

(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 statement of financial position 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).

(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			
	Investa Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Variable interest rate instruments denominated in:				
Australian dollars	**(0.1)**	(0.1)	**-**	-
Euros	**(0.6)**	-	**-**	-
	(0.7)	(0.1)	**-**	-

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

	Effect on profit after tax			
	Investa Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Variable interest rate instruments denominated in:				
Euros	**1.3**	5.8	**-**	-
United States dollars	**3.0**	3.6	**3.0**	3.6
	4.3	9.4	**3.0**	3.6

(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			
	Investa Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Variable interest rate instruments denominated in:				
Australian dollars	**0.1**	0.1	**-**	-
Euros	**0.6**	-	**-**	-
	0.7	0.1	**-**	-

22. Financial risk management (continued)

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

	Effect on profit after tax			
	Investa Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Variable interest rate instruments denominated in:				
Euros	**(1.3)**	(6.2)	**-**	-
United States dollars	**(2.5)**	(3.8)	**(2.5)**	(3.8)
	(3.8)	(10.0)	**(2.5)**	(3.8)

(e) Foreign exchange risk

By owning assets 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. The foreign exchange risk inherent in the carrying value of its offshore properties is hedged 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.

22. Financial risk management (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)			
	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Euros	**(109.8)**	(120.4)	**-**	-
United States dollars	**0.2**	0.2	**0.2**	0.2
	(109.6)	(120.2)	**0.2**	0.2

(g) Foreign exchange sensitivity analysis

The impact on profit after tax 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 statement of financial position date.

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

	Effect on profit after tax			
	Investa Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Foreign exchange risk exposures denominated in:				
Euros	**13.7**	15.9	**-**	-
United States dollars	**0.7**	1.1	**0.7**	1.1
	14.4	17.0	**0.7**	1.1

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

	Effect on profit after tax			
	Investa Office Fund		Prime Credit Property Trust	
	Higher/(lower)		Higher/(lower)	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Foreign exchange risk exposures denominated in:				
Euros	**(14.3)**	(16.8)	**-**	-
United States dollars	**(0.8)**	(1.3)	**(0.8)**	(1.3)
	(15.1)	(18.1)	**(0.8)**	(1.3)

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

22. Financial risk management (continued)

(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 statement of financial position 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 2011 was $2.7 million (Prime Group $1.7 million gain) (30 June 2010: $13.0 million; Prime Group $0.2 million loss).

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

Maturing	Weighted average exchange rate 2011	Weighted average exchange rate 2010	Principal amount 2011 AUD m	Principal amount 2011 USD m	Principal amount 2010 AUD m	Principal amount 2010 USD m
			Investa Office Fund			
Within one year	0.7757	0.6940	**4.8**	**3.7**	3.9	2.7
Later than one year but not later than five years	0.7995	0.7878	**5.0**	**4.0**	9.9	7.8
			9.8	**7.7**	13.8	10.5
			Prime Credit Property Trust			
Within one year	0.7757	0.6940	**4.8**	**3.7**	3.9	2.7
Later than one year but not later than five years	0.7995	0.7878	**5.0**	**4.0**	9.9	7.8
			9.8	**7.7**	13.8	10.5

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

Maturing	Weighted average exchange rate 2011	Weighted average exchange rate 2010	Principal amount 2011 AUD m	Principal amount 2011 EUR m	Principal amount 2010 AUD m	Principal amount 2010 EUR m
			Investa Office Fund			
Within one year	0.5289	0.5551	**17.9**	**9.5**	16.6	9.2
Later than one year but not later than five years	0.5070	0.5164	**24.1**	**12.2**	41.8	21.6
			42.0	**21.7**	58.4	30.8

(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.

22. Financial risk management (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 set 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 statement of financial position.

(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 year 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.

Refinance risk, also part of liquidity risk is the risk that the maturity profile of debt makes it difficult to refinance maturing debt, or that it creates an excessive exposure to potentially unfavourable market conditions at any given time.

The group is exposed to refinancing risks arising from the availability of finance as well as the interest rates and credit margins at which financing is available. The Group manages this risk where appropriate, by refinancing borrowings in advance of the maturity of the borrowing and securing longer term facilities where appropriate and consistent with the Group's strategy.

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.

22. Financial risk management (continued)

Non-derivative financial liabilities

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.

	Investa Office Fund			
	2011			
	Less than 1 year $m	1 to 5 years $m	More than 5 years $m	Total $m
Trade & other payables	29.6	-	-	29.6
Borrowings	353.1	5.9	128.6	487.6
Distribution payable	26.6	-	-	26.6
	409.3	5.9	128.6	543.8
	2010			
Trade & other payables	29.9	-	-	29.9
Borrowings	14.9	414.4	-	429.3
Distribution payable	26.6	-	-	26.6
	71.4	414.4	-	485.8

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

	Prime Credit Property Trust			
	2011			
	Less than 1 year $m	1 to 5 years $m	More than 5 years $m	Total $m
Trade & other payables	17.9	-	-	17.9
Borrowings	153.1	5.9	128.6	287.6
	171.0	5.9	128.6	305.5
	2010			
Trade & other payables	14.6	-	-	14.6
Borrowings	10.3	193.4	-	203.7
Distribution payable	26.6	-	-	26.6
	51.5	193.4	-	244.9

22. Financial risk management (continued)

Derivative financial liabilities

The following tables show the undiscounted contractual cash flows required to discharge the groups derivative financial liabilities including interest at market rates. Foreign currencies have been converted at rates of exchange ruling at reporting date.

	Investa Office Fund 2011			
	Less than 1 year $m	1 to 5 years $m	More than 5 years $m	Total $m
Liabilities				
Interest rate swaps - net settled	(2.4)	(157.1)	-	(159.5)
Foreign Exchange - gross settled				
Outflows	(0.2)	-	-	(0.2)
Inflows	0.4	-	-	0.4
	(2.2)	(157.1)	-	(159.3)
Assets				
Foreign Exchange - gross settled				
Outflows	(16.5)	(20.2)	-	(36.7)
Inflows	23.1	29.0	-	52.1
	6.6	8.8	-	15.4

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

22. Financial risk management (continued)

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

	Prime Credit Property Trust 2011			
	Less than 1 year $m	1 to 5 years $m	More than 5 years $m	Total $m
Liabilities				
Interest rate swaps - net settled	(1.3)	(101.9)	-	(103.2)
Foreign Exchange - gross settled				
Outflows	(0.2)	-	-	(0.2)
Inflows	0.4	-	-	0.4
	(1.1)	(101.9)	-	(103.0)
Assets				
Foreign Exchange - gross settled				
Outflows	(3.7)	(3.7)	-	(7.4)
Inflows	5.2	5.0	-	10.2
	1.5	1.3	-	2.8

	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				
Outflows	-	(7.2)	-	(7.2)
Inflows	-	7.5	-	7.5
	-	(8.8)	(0.6)	(9.4)
Assets				
Derivative assets - gross settled				
Outflows	(3.2)	(2.0)	-	(5.2)
Inflows	3.8	2.3	-	6.1
	0.6	0.3	-	0.9

22. Financial risk management (continued)

(k) Fair value of financial assets and liabilities

The Group categorises fair value measurements using the following 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 fair value of the level 3 investment has been determined by applying a discount for liquidity, size of the investment and valuation risk to the reported net assets. If the value of the investment was adjusted to be 5% higher or lower, the fair value would increase/decrease by $15.1 million.

The calculation of fair value of the Fund's level 3 financial asset includes a discount for the liquidity risk of the investment. This liquidity risk discount is not based on observable market data, and is therefore subject to significant judgement.

The following tables present both Groups' financial assets and liabilities that were measured and recognised at fair value at 30 June 2011.

	Investa Office Fund 2011			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Financial asset at fair value through profit or loss	-	-	301.4	301.4
Derivative financial instruments	-	12.7	-	12.7
	-	12.7	301.4	314.1
Financial liabilities				
Derivative financial instruments	-	(13.5)	-	(13.5)

22. Financial risk management (continued)

	Investa Office Fund 2010			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments	-	10.2	-	10.2
Financial liabilities				
Derivative financial instruments	-	(25.1)	-	(25.1)

	Prime Credit Property Trust 2011			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments	-	2.2	-	2.2
Financial liabilities				
Derivative financial instruments	-	(11.3)	-	(11.3)

	Prime Credit Property Trust 2010			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets				
Derivative financial instruments	-	0.8	-	0.8
Financial liabilities				
Derivative financial instruments	-	(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:

	Investa Office Fund			
	2011		2010	
	Fair value $m	**Carrying amount $m**	Fair value $m	Carrying amount $m
Other external debt	**151.7**	**147.1**	200.7	186.8

	Prime Credit Property Trust			
	2011		**2010**	
	Fair value $m	**Carrying amount $m**	**Fair value $m**	**Carrying amount $m**
Other external debt	**151.7**	**147.1**	200.7	186.8

22. Financial risk management (continued)

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 2010: 1% to 3%), depending on the type of borrowing.

23. Auditor's remuneration

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Amounts received or receivable by Ernst & Young for:				
Audit or review of financial reports of the Fund and any other entity in the Group	**203**	224	**102**	112
Other services - assurance related	**13**	8	**7**	4
Vendor due diligence	**978**	-	**-**	-
	1,194	232	**109**	116

The Directors of the Responsible Entity have adopted a policy governing Auditor Independence which specifies that the auditing firm should not provide services that are or could be perceived to be in conflict with the role of auditor. Each non-audit service is considered in the context of this policy. The Directors of the Responsible Entity may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Group are important.

24. Related parties

(a) Responsible Entity

The Responsible Entity, until 8 July 2011, of the Trusts was ING Management Limited ("IML"), a member of the ING group of companies for which the ultimate holding company is ING Group NV, a company incorporated in the Netherlands.

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

	Note	Investa Office Fund		Prime Credit Property Trust	
		2011	2010	**2011**	2010
		$'000	$'000	**$'000**	$'000
ING Management Limited:	(i)				
Responsible Entity's fees		**8,521**	8,420	**3,858**	3,691
Property management and leasing fees		**209**	429	**88**	227
ING Clarion Partners LLC:	(ii)				
Asset management fees		**2,109**	2,355	**2,109**	2,355
Asset disposition fee		**257**	403	**257**	403
Performance fee		**106**	343	**106**	343
Other ING subsidiaries:	(iii)				
Property management and leasing fees		**1,408**	1,437	**-**	-
		12,610	13,387	**6,418**	7,019

(i) From 1 July 2009 to 3 April 2011 IML received 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. From 4 April 2011 to 30 June 2011 it received a fee of $2.1 million. In addition IML receives property management and leasing fees at commercial rates.

24. Related parties (continued)

(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.

(c) ILFML management fee

From 4 April 2011 to 30 June 2011 ILFML received a management fee of $2.1 million from IML.

(d) 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 2011, and distributions receivable for the year then ended, were:

	Number of units held	Distributions Receivable Investa Office Fund	Prime Credit Property Trust
	2011	2011	2011
Name	**000s**	**$'000**	**$'000**
ING Australia Holdings Limited	-	293	131
CBRE Clarion Securities (1)	214,989	8,692	2,869
ING Investment Management Limited	10,002	267	55
ING New Zealand	-	16	4
ING Securities Investment and Trust	446	4	1
Investa Listed Funds Management Limited	68,060	664	-
Investa Securities Pty Limited	159	6	2
ING Real Estate International Investments III BV	-	1,240	556
ING Real Estate Co Investment Pty Limited	-	130	58
	293,656	11,312	3,676

(1) Formerly ING Clarion

Holdings of those parties as at 30 June 2010, and distributions received or receivable for the year then ended, were:

	Number of units held	Distributions Receivable Investa Office Fund	Prime Credit Property Trust
	2010	2010	2010
Name	**000s**	**$'000**	**$'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

24. Related parties (continued)

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

The Group has borrowings at reporting date totalling $17.2 million (Prime Group: nil) (30 June 2010: $13.8 million; Prime Group: nil) 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 $0.3 million (Prime Group: nil) (30 June 2010: $0.2 million; Prime Group: nil). Further details of the loan are given at Note 15. 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 $2.2 million (30 June 2010: negative $14.1 million).

During the year, the Group was invoiced $6.8 million in capital transaction costs which include $0.6 million recharge for costs incurred by ING Real Estate Corporate Services Pty Ltd on behalf of the Group. IML reimbursed the Group $1.1 million for their costs. Therefore total capital transaction cost expense incurred by the Group was $5.7 million. Refer Note 5(b).

(f) 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 relevant Responsible Entity, and their dates of appointment or resignation if they were not Directors for all of the financial year, are:

The Directors of Investa Listed Funds Management Limited (Responsible Entity from 8 July 2011) are:

D Page AM	Chairman
P Dodd	
P Rowe	
S MacDonald	
M Long	

The Directors of ING Management Limited (which was the Responsible Entity until 8 July 2011) at any time during or up until 8 July 2011 were:

M Coleman	Chairman; appointed 1 July 2011
P Clark AM	
M Easson AM	
S MacDonald	Appointed 4 April 2011
H Brand	Appointed 1 June 2011
K McCann	Appointed 23 September 2010; resigned 30 June 2011
P Scully	Resigned 30 June 2011
C Tanghe	Appointed 1 September 2009; resigned 1 June 2011
R Colless AM	Resigned 22 September 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:

S MacDonald	Investa Chairman and Chief Executive Office; effective 4 April 2011
M Long	Investa Chief Financial Officer; effective 4 April 2011
V Tanfara	Fund Manager
D Hickey	IML Chief Executive Officer
D Agnoletto	IML Chief Financial Officer

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.

24. Related parties (continued)

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

	2011 **000s**	2010 000s
P Scully		
Held at the beginning of the financial year	**42**	31
Acquisitions	**-**	11
Held at the end of the financial year	**42**	42
P Redmond (1)		
Held at the beginning of the financial year	**-**	26
Acquisitions	**-**	10
Held at the date of cessation as a key management person	**-**	36
D Page AM		
Held at the date of appointment as a key management person	**17**	-
Held at the end of the financial year	**17**	-

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

	Investa Office Fund		**Prime Credit Property Trust**	
	2011 **$'000**	2010 $'000	**2011** **$'000**	2010 $'000
P Scully	**2**	2	**1**	1
P Redmond (1)	**-**	1	**-**	-
D Hunt(2)	**-**	2	**-**	1
D Page AM	**-**	-	**-**	-
	2	5	**1**	2

In addition to the above persons, key management personnel as defined in the Accounting Standards include 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.

(1) P Redmond resigned as a director 12 April 2010.

(2) D Hunt ceased being a key management person from 31 December 2009.

24. Related parties (continued)

(g) Transactions with equity accounted investments

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

Loans to/(from) associates

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Amounts receivable at reporting date	**69,231**	74,316	-	652
Amounts payable at reporting date	**(3,379)**	(5,922)	-	-
Interest income	**4,238**	4,844	-	-
Interest expense	**3,582**	195	-	-

Loans from associates

	Investa Office Fund		Prime Credit Property Trust	
	2011	**2010**	**2011**	**2010**
	$'000	**$'000**	**$'000**	**$'000**
Balance at the beginning of the year	**(5,922)**	(4,426)	-	-
Loans advanced	-	(2,212)	-	-
Loan repayments made	**2,224**	-	-	-
Interest charged	**(180)**	(195)	-	-
Exchange rate fluctuations	**499**	912	-	-
Balance at the end of the year	**(3,379)**	(5,922)	-	-

Loans to associates

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$'000	$'000	**$'000**	$'000
Balance at the beginning of the year	**74,316**	89,378	**652**	679
Loan repayments made	**(571)**	(910)	**(571)**	-
Interest charged	**4,238**	4,844	-	-
Interest paid	**(3,402)**	(3,587)	-	-
Exchange rate fluctuations	**(5,350)**	(15,410)	**(81)**	(27)
Balance at the end of the year	**69,231**	74,316	-	652

24. Related parties (continued)

(h) Transfer of management

On 4 April 2011, ING REIM, the owner of ING Management Limited transferred the management of the Group to Investa Property Group ("Investa"). On the same day, Investa acquired the 2.5% stake in the Group previously owned by the ING entities. This resulted in a transitional management agreement where ING Management Limited remained the Responsible Entity and Investa replaced ING Real Estate Management Australia as the manager of the Group.

The fees payable to Investa will be fixed at $8.6 million per annum for the first year and as a result of the unitholder vote on 7 July 2011 the responsible entity fee will then revert to 55 basis points of the Group's market capitalisation.

As part of this transaction, Investa granted the Group a call option over Investa's 50% stake in 242 Exhibition Street, Melbourne. The option may be exercised at any time prior to 30 September 2011 with an exercise price equal to fair market value, as supported by an independent valuation. Exercise of this option is subject to pre-emptive rights held by the existing co-owner not being exercised, approval by the majority of the Responsible Entity's Directors who are independent of Investa and unitholder approval.

IML previously acting as the Responsible Entity for the Group and Investa have entered into a non-binding memorandum of understanding which contemplates the granting to the Group of a call option over 50% of the Investa Office Management platform ("IOM"). This option may be exercised within 12 months of the date on which the Group's total Australian assets are valued at $3.5 billion subject to a number of conditions. The exercise price will be equal to fair market value, as supported by an independent valuation. If exercised, the Group will be granted a pre-emptive right to acquire the remaining 50% of IOM, should Investa elect to sell its remaining interest in the platform.

In addition, the memorandum of understanding grants a right of first offer to acquire 100% of IOM, should Investa elect to sell the platform prior to exercise of the call option.

25. Parent financial information

Summary financial information about the parent of each Group is:

	Armstrong Jones Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Current assets	**90.5**	75.7	**302.5**	272.9
Total assets	**1,536.4**	1,478.4	**1,117.2**	1,136.9
Current liabilities	**347.1**	19.0	**13.4**	33.1
Total liabilities	**378.3**	327.5	**23.8**	44.2
Equity:				
Issued units	**1,025.3**	1,025.3	**1,282.8**	1,282.9
Foreign currency translation reserve	**-**	-	**(10.4)**	(10.4)
Retained earnings/(accumulated losses)	**132.8**	125.6	**(178.9)**	(179.9)
Total equity	**1,158.1**	1,150.9	**1,093.5**	1,092.6
Net profit/(loss) attributable to unitholders	**77.8**	77.2	**(36.4)**	13.5
Total comprehensive income	**77.8**	77.2	**(36.4)**	13.5

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	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Within one year	**1.4**	26.4	**6.3**	6.0
Later than one year but not later than five years	**-**	-	**-**	1.2
	1.4	26.4	**6.3**	7.2

26. 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(b):

Name	Country of residence	Ownership interest 2011 %	2010 %
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 Finance Pty Ltd	Australia	**50**	50
IOF European Trust No 1	Australia	**100**	100
IOF European Trust No 2	Australia	**100**	100
ING Reboi SA	Brussels	**100**	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
IOF Finance Pty Ltd	Australia	**100**	100
Miller Street North Sydney Trust	Australia	**50**	50
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
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 Group’s voting interest in their subsidiaries is the same as their ownership interest.

27. 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. Other parts of the Group are neither an operating segment nor part of an operating segment. Assets that do not belong to an operating segment are described below as "unallocated".

Segment information provided to the Board of the Responsible Entity.

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
(b) Segment revenue				
Australia	**156.2**	164.0	**76.8**	75.7
United States	**33.4**	40.8	**33.4**	40.8
Europe	**5.1**	1.2	**-**	-
Segment revenue	**194.7**	206.0	**110.2**	116.5
Interest income	**4.9**	6.0	**0.4**	0.4
Total revenue	**199.6**	212.0	**110.6**	116.9
(c) Segment result				
Australia	**119.9**	124.7	**56.4**	56.9
United States	**28.4**	36.1	**28.4**	36.1
Europe	**28.8**	38.5	**-**	-
Segment result	**177.1**	199.3	**84.8**	93.0
Interest income	**4.9**	6.0	**0.4**	0.4
Finance costs	**(29.3)**	(39.1)	**(19.1)**	(20.0)
Responsible Entity's fees	**(8.5)**	(8.4)	**(3.9)**	(3.7)
Other expenses	**(11.7)**	(7.5)	**(2.3)**	(4.4)
Lease revenue recognition	**1.8**	4.0	**1.9**	0.9
Net foreign exchange gain	**13.8**	28.7	**1.6**	1.6
Net gain on disposal of investment properties	**(3.4)**	-	**(3.4)**	-
Loss on financial asset at fair value	**(36.2)**	-	**-**	-
Share of reserves for net loss on cash flow hedge transferred to profit and loss	**(1.5)**	-	**-**	-
Net loss on change in fair value of:				
Investment properties	**55.6**	(71.9)	**40.0**	(36.1)
Derivatives	**6.1**	(15.3)	**1.3**	(11.1)
Items included in share of net profit of equity accounted investments:				
Investment properties	**25.1**	(49.8)	**25.1**	(6.7)
Derivative financial instruments	**3.2**	(6.7)	**0.7**	(5.4)
Deferred income tax (benefit)/expense included in share of net profit of equity accounted investments	**-**	(0.1)	**-**	-
Profit before income tax	**197.0**	39.2	**127.1**	8.5

27. Segment information (continued)

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
(d) Segment assets				
Australia	**1,681.0**	1,611.9	**946.4**	898.9
United States	**383.4**	436.0	**383.4**	436.0
Europe	**404.9**	466.2	**-**	-
Unallocated	**35.5**	39.0	**13.1**	19.3
Segment assets	**2,504.8**	2,553.1	**1,342.9**	1,354.2
(e) Other information				
Share of net profit of equity accounted investments:				
Australia	**-**	-	**1.1**	-
United States	**28.8**	(6.8)	**28.8**	(6.8)
Europe	**18.1**	(16.2)	**-**	-
	46.9	(23.0)	**29.9**	(6.8)
Net gain on change in fair value of investment property:				
Australia	**11.7**	(74.8)	**(3.9)**	(39.0)
United States	**43.9**	2.9	**43.9**	2.9
	55.6	(71.9)	**40.0**	(36.1)
Carrying amount of equity accounted investments:				
Australia	**-**	-	**1.1**	-
United States	**24.1**	99.2	**24.1**	99.2
Europe	**49.7**	411.2	**-**	-
	73.8	510.4	**25.2**	99.2
Additions to investment properties and equity accounted investments:				
Australia	**85.3**	41.5	**41.6**	21.7
United States	**4.4**	4.9	**4.4**	4.9
Europe	**-**	1.1	**-**	-
	89.7	47.5	**46.0**	26.6

28. Note to the cash flow statements

Reconciliation of profit to net cash flows from operations

	Investa Office Fund		Prime Credit Property Trust	
	2011	2010	**2011**	2010
	$m	$m	**$m**	$m
Net profit for the year	**153.2**	45.7	**86.5**	8.6
Adjustments for:				
Straight line lease revenue recognition	**(1.2)**	(3.6)	**(0.8)**	(0.9)
Unrealised foreign exchange gain	**(16.9)**	(82.0)	**(0.5)**	(20.0)
Net (gain)/loss on change in fair value of:				
Investment properties	**(55.6)**	71.9	**(40.0)**	36.1
Derivatives	**(6.1)**	15.3	**(1.3)**	11.1
Loss on financial asset at fair value through profit or loss	**36.2**	-	**-**	-
Share of reserves for net loss on cash flow hedge transferred to profit and loss	**1.5**	-	**-**	-
Amortisation of tenant incentives	**12.3**	8.4	**10.7**	7.1
Excess of distributions received from equity accounted investments over share of profits	**12.9**	54.9	**17.0**	6.8
Deferred income tax (benefit)/expense	**37.7**	(9.0)	**35.3**	0.7
Other non-cash items	**(6.1)**	(4.3)	**(2.2)**	(1.6)
Operating profit for the year before changes in working capital	**167.9**	97.3	**104.7**	47.9
Changes in working capital:				
(Increase)/decrease in receivables	**1.3**	1.6	**1.4**	(0.2)
Decrease in interest payable	**(0.8)**	(0.2)	**-**	(0.2)
Increase/(decrease) in other payables	**1.5**	3.3	**3.1**	(0.6)
Net cash provided by operating activities	**169.9**	102.0	**109.2**	46.9

29. Events subsequent to reporting date

Investa Property Group assumed Australian property management from CBRE, effective 1 July 2011. Fees payable are based on market terms.

On 7 July 2011, the unitholders of IOF voted to replace ING Management Limited with ILFML as Responsible Entity of IOF. This change took effect on 8 July 2011. At the same time unitholders also voted to restructure the Responsible Entity fee from a percentage of assets under management to a percentage of market capitalisation with effect from 1 July 2012. The fee is fixed in the interim at $8.6 million per annum. The fee from 1 July 2012 will be 0.55% per annum of the Trusts' market capitalisation to be paid quarterly. The fee for a quarter cannot change by more or less than 2.5% from the previous quarter's fee.

On 9 August 2011, the Waltham Winter Street Group was sold for net sale proceeds of USD $41.1 million, which reflects the carrying value at 30 June 2011.

On 15 August 2011, an agreement was signed for a new 3 year bank facility with a limit of $552.0 million. The new debt facility will mature on 15 August 2014. The margins are higher than under the previous syndicated debt facility and are reflective of the current market. The Trusts are expected to continue to service their debt from operating cash flow and remain compliant with the loan covenants.

On 15 August 2011, ILFML announced its intention for the Trusts to undertake an on market buyback of up to 10% of issued units (or a maximum of 272.9 million units). The buyback period is expected to commence on 29 August 2011, and may continue for up to 12 months unless the maximum number of units are bought back, or ILFML decide to cease the buyback earlier. The total number of units purchased by the Trusts will depend on prevailing market conditions and will be funded by debt and proceeds from offshore asset sales.

Investa Office Fund
Directors' Declaration
Year ended 30 June 2011

In the opinion of the Directors of Investa Listed Funds Management Limited, as the Responsible Entity of Armstrong Jones Office Fund and Prime Credit Property Trust:

(a) the financial statements and notes set out on pages 10 to 74 are in accordance with the Corporations Act 2001, including:

  (a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  (b) giving a true and fair view of the Group and Prime's financial position as at 30 June 2011 and of its performance for the year ended on that date.

(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.

Note 1(b) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration has been made in accordance with a resolution of the Directors of Investa Listed Funds Management Limited as the Responsible Entity of Armstrong Jones Office Fund and Prime Credit Property Trust and 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 Corporations Act 2001 for the financial year ending 30 June 2011.

D Page AM
Chairman
Sydney
25 August 2011

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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 2011, 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 "Investa 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 2011, 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 of Investa Listed Funds 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 Investa 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 Investa Office Fund and the Prime Credit Property Trust at 30 June 2011 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

Chris Lawton
Partner
Sydney
25 August 2011