ASX announcement

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INVESTA

Investa Office Fund (ASX: IOF)

Financial Results – 30 June 2013

Results for announcement to the market

Investa Office Fund (ASX:IOF) today releases its financial results for the year ended 30 June 2013.

The financial results pack includes:

- Appendix 4E;
- Financial Report;
- ASX Release;
- Results Presentation; and
- Property Portfolio.

A webcast of the Full Year Results presentation will be available from 10am AEST at investa.com.au/IOF

About Investa Office Fund

Investa Office Fund (ASX code: IOF) is an ASX-listed real estate investment trust (A-REIT) and is included in the S&P/ASX100 index. The Fund is a leading owner of investment grade office buildings and receives rental income from a tenant register comprised predominately of Government and blue chip tenants. IOF has total assets under management of AU$2.8billion with investments located in core CBD markets throughout Australia and select offshore markets in Europe. IOF's strategy is to reposition the portfolio to an Australian only focus.

About Investa Office

Investa Office is Australia's leading owner and manager of commercial office buildings, controlling assets worth more than $7 billion in key CBD markets across Australia. Our end-to-end real estate platform incorporates funds, portfolio and asset management, property services, development, sustainability, capital transactions and research.

We strive to be the first choice in Australian office, by delivering consistent outperformance for our investors and exceeding the expectations of our tenants and staff. Investa Office is a global leader in sustainability and is committed to responsible property investment and the ongoing pursuit of sustainable building ownership and management.
We are a signatory of the United Nations Principles for Responsible Investment.

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The first choice in Australian office.

Appendix 4E

Preliminary Final Report
Year ended 30 June 2013

Name of Entity: Investa Office Fund

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

Results for announcement to the market

	Comparison to 30 June 2012
Revenues from ordinary activities	up 4.7% to $191.0m
Profit from ordinary activities after tax attributable to members	up 55.7% to $158.7m
Net profit for the period attributable to members	up 55.7% to $158.7m
Operating earnings(i)	up 7.3% to $137.5m

	30 June 2013	**30 June 2012**
Net tangible assets per unit	$3.23	$3.14

(i) Investa Office Fund ("IOF") reports net profit attributed to unitholders in accordance Australian Accounting Standards ("AAS"). Investa Listed Funds Management Limited, as the Responsible Entity of IOF considers the non-AAS measure, operating earnings, an important indicator of underlying performance of IOF. To calculate operating earnings, net profit attributable to unitholders is adjusted to exclude unrealised gains or losses, certain non-cash items, fair value gains or losses on investments and other amounts that are non-recurring or capital in nature. These adjustments may change, depending upon changes to AAS and/or the Responsible Entity's assessment of non-recurring or capital items. No adjustments have been made for amortisation of lease incentives or lease fees as the Responsible Entity considers these to be a component of rental income.

Distributions	**Amount per unit (cents)**	**$m**
Interim - 31 December 2012 (paid 28 February 2013)	8.75	53.7
Final – 30 June 2013 (payable 30 August 2013)	9.00	55.3
Total	17.75	109.0
Previous corresponding period (30 June 2012)	17.50	109.5
Record date for determining entitlements to the final distribution	28 June 2013	

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
- Property portfolio

Dorothy Mioduszewska
Company Secretary

21 August 2013

Investa Office Fund

Annual Financial Report

30 June 2013

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

Annual Financial Report for the year ended 30 June 2013

Contents

The Investa Office Fund was 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, and is 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 21 August 2013. The Responsible Entity has the power to amend and reissue this financial report.

Directors' Report

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 is Investa Listed Funds Management Limited ("ILFML"), which presents the Group's Annual Financial Report together with Prime's Annual Financial Report for the year ended 30 June 2013.

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 and Prime is taken from the Consolidated Financial Statements and notes.

Directors

The following persons were Directors of Investa Listed Funds Management Limited during the whole of the financial year and up to the date of this report:

Deborah Page AM	Independent Non-Executive Chairman
Peter Dodd	Independent Non-Executive Director
Peter Rowe	Independent Non-Executive Director
Scott MacDonald	Non-Executive Director (retired as an Executive Director – effective 1 July 2013)
Ming Long	Executive Director
Campbell Hanan	Alternate Director (alternate for Scott MacDonald - effective 1 July 2013)

Summary of operations

Principal activity

The principal activity of the Trusts is to own investment grade office buildings, generating rental and other property income. These properties are either owned 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 year.

Property portfolio

At 30 June 2013 the Group held twenty investments located in Australia and had exchanged contracts for 99 Walker St, North Sydney. It also held two investments located in Europe as at 30 June 2013. By value and including 99 Walker St, North Sydney the Australian portfolio represents 88% of the Group's total investment portfolio while the European portfolio represents 12%. On the same basis, the total net lettable area of the Australian and European portfolio is 369,188sqm and 133,057sqm respectively.

The Group has a stated aim of selling all of its foreign assets and redeploying that capital into an appropriately diversified portfolio of quality Australian assets that will deliver high risk-adjusted returns.

All properties located in the United States of America were sold in the prior year ending 30 June 2012.

a) Australian property portfolio

As at 30 June 2013, the majority of the Group's property portfolio was located in the central business districts of major Australian cities. During the current financial year the following key events occurred within the Australian portfolio:

- In August 2012, the Group acquired a 100% interest in 66 St Georges Terrace, Perth for $82.4 million. This acquisition continues to perform in line with expectations.
- In March 2013, the Group, jointly with Investa Commercial Property Fund ("ICPF"), an unlisted fund managed by a related party of the Responsible Entity, acquired land and also entered into a development management agreement to construct a premium grade office building located at 567 Collins St, Melbourne. The Group acquired its share (50%) of the land for $18.8 million and has committed to fund a further $212.3 million of construction costs, which will be paid up to practical completion (expected in the first half of financial year 2016).
- In March 2013, the Group commenced an extensive refurbishment of 16 – 18 Mort Street, Canberra following the vacation by the previous tenant. The major works being undertaken include updating the façade, upgrading the building services and fully refurbishing the office space and are anticipated to improve the NABERS rating to 4.5 stars. Telstra has entered into a lease to occupy all 6 floors of office space in the premises once the redevelopment works are completed, which is on track to occur in November 2013.
- In June 2013, the Group exchanged contracts to acquire 99 Walker Street, North Sydney for a purchase price of $124.9 million plus settlement adjustments and transaction costs. The settlement of the acquisition occurred on 24 July 2013.

Over the course of the 30 June 2013 financial year leases were signed in respect of over 32,000sqm of space. This has added to the over 80,000sqm leased in the prior year ending 30 June 2012. A further 11,000sqm has been leased post 30 June 2013. This activity has resulted in a continued level of high occupancy and leaves only 1.5% of the Group's income included in the 30 June 2014 earnings guidance at risk. Refer earnings guidance section for further details.

Directors' Report (continued)

Summary of operations (continued)

As a result of the significant level of leasing activity, the Group has reduced the number of potential major lease expiries in the next two years to the following:

- 10,947sqm at 140 Creek Street, Brisbane – leased to the ATO until February 2014;
- 4,660sqm at 10-20 Bond Street, Sydney – leased to Origin Energy until November 2014;
- 4,602sqm at 99 Walker Street, North Sydney – leased to AAMI until January 2015; and
- 2,673sqm at 628 Bourke Street, Melbourne – leased to V Line until May 2015.

Key metrics for the Australian portfolio as at and for the year ended 30 June 2013 include:

- Occupancy of 96% (30 June 2012: 98%);
- Tenant retention of 54% (30 June 2012: 76%), current year impacted by the departure of the previous tenant at 16 – 18 Mort Street, Canberra;
- Like-for-like net property income growth of +4.5% (30 June 2012: +1.4%); and
- Weighted average lease expiry of 4.8 years (30 June 2012: 5.1 years).

As at the date of this report, terms have been agreed but documents are not yet executed across a further 75,000sqm of the portfolio for leases expiring in the near to long term. If all of these transactions are completed the occupancy will improve by 0.3% and the weighted average lease expiry will increase to 5.4 years.

b) European property portfolio

The Group continues to focus on exiting its European portfolio consisting of the Group's 14.2% investment in the Dutch Office Fund (30 June 2012: 14.2%) and its 50.0% investment in Bastion Tower, Belgium (30 June 2012: 50.0%). At Bastion Tower, a major lease was renewed during the year ending 30 June 2013, extending its weighted average lease expiry to more than 8 years. The asset is now being marketed for sale.

Key metrics for the European portfolio as at and for the year ended 30 June 2013 include:

- Occupancy of 84% (30 June 2012: 86%);
- Tenant retention of 62% (30 June 2012: 81%);
- Like-for-like net property income growth of -1.5% (30 June 2012: -5.8%); and
- Weighted average lease expiry of 5.4 years (30 June 2012: 4.5 years).

c) Revaluations

Independent investment property valuations were completed for 52% by value (30 June 2012: 91%) of the Australian portfolio (including investment properties held by equity accounted investments). This resulted in an overall 3% (30 June 2012: 5%) valuation increase on book values for the Australian portfolio.

Independent investment property valuations were completed for 100% (30 June 2012: 100%) of the European investment properties held by equity accounted investments at 30 June 2013 resulting in an overall 2% decrease (30 June 2012: 2% decrease) on book values for the European equity accounted investments.

A fair value decrease in the Group's interest in the Dutch Office Fund ("DOF") of $23.0 million (30 June 2012: $28.9 million) has been recognised. The decrease is due to a decline in the underlying net asset value of DOF. A discount of 15% continues to be applied to DOF's reported underlying net asset value (30 June 2012: 15%), in recognition of the illiquid nature of the investment and the effect of prevailing economic conditions in Europe.

The weighted average capitalisation rate as at 30 June 2013 was 7.5% for the Australian portfolio (30 June 2012: 7.6%) and 7.3% for the whole portfolio (30 June 2012: 7.4%). Refer to Note 2 of the Financial Statements for the weighted average capitalisation rate used by the external independent property valuers as at 30 June 2013.

d) Acquisitions

Since April 2012, the Group has acquired over $800m of high quality office buildings in Australia and these acquisitions have been a key driver of the growth in operating earnings and net tangible assets during the year to 30 June 2013. In particular:

- The Group's 50% interest in 242 Exhibition Street, Melbourne (held by an equity investment) has increased in value in accordance with the independent valuation by 7.5% since acquisition in April 2012;
- The Group's 25% interest in 126 Phillip Street, Sydney (held by an equity investment) has had strong leasing outcomes, with five leases agreed in the second half of the year ended 30 June 2013 amounting to over 5,000sqm; and
- The Group's 100% interest in 66 St George's Terrace, Perth has increased in value in accordance with the independent valuation by 8.2% since acquisition in August 2012.

Directors' Report (continued)

Financial performance

A summary of the Group and Prime's results for the year is set out below:

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Net profit attributable to unitholders	**158.7**	101.9	**96.5**	11.4
Net profit from continuing operations	**159.3**	181.9	**97.1**	91.4
Operating earnings	**137.5**	128.1	**na**	na
Distributions paid and payable to unitholders	**109.0**	109.5	**59.9**	57.2
	cents	cents	**cents**	cents
Per stapled unit:				
Basic and diluted earnings per unit from net profit	**25.8**	16.0	**na**	na
Basic and diluted earnings per unit from net profit from continuing operations	**25.9**	28.6	**na**	na
Operating earnings per unit	**22.4**	20.1	**na**	na
Per unit of each Trust:				
Basic and diluted earnings per unit from net profit	**10.1**	14.2	**15.7**	1.8
Basic and diluted earnings per unit from net profit from continuing operations	**10.1**	14.2	**15.8**	14.4
Distributions per unit	**17.75**	17.50	**9.75**	9.20

A distribution of $55.3 million for the half-year ended 30 June 2013 was recognised in the 2013 financial year and is scheduled to be paid on 30 August 2013.

Basic and diluted earnings per stapled unit from net profit, as calculated under applicable accounting standards for the year ended 30 June 2013 were 25.8 cents, compared to 16.0 cents for the previous year. The change is predominantly as a result of a prior year loss on the transfer of the US foreign currency translation reserve (included as a component of reserves) to the Consolidated Income Statement, and a lower positive revaluation of the Group's investments in the current year compared to the year ended 30 June 2012.

Distributions per unit have increased by 1% from 17.50 cents to 17.75 cents for the year ended 30 June 2013. In the previous year a special distribution of 1.90 cents was paid as a consequence of divesting all the US assets, and repatriating those proceeds and associated earnings. Excluding the special distribution, distributions per unit have increased by 14%.

Operating earnings

Operating earnings for the year has been calculated as follows:

	Investa Office Fund	
	30 June 2013	30 June 2012
	$m	$m
Net profit attributable to unitholders	**158.7**	101.9
Adjusted for:		
Net (gain)/loss on change in fair value of:		
Investments(1)	**(28.8)**	(82.0)
Derivatives(2)	**4.9**	22.5
Transfer of foreign currency reserve from disposed operations to profit and loss(3)	**-**	131.1
Net loss on disposal of investments	**(0.2)**	(6.1)
Net foreign exchange (gain)/loss(4)	**(2.0)**	(19.9)
Other(5)	**4.9**	(19.4)
Operating earnings	**137.5**	128.1

(1) Net gain on change in fair value of investments includes the fair value of investment properties held by the Group, investment properties held by equity accounted investments, financial assets at fair value through profit or loss and, for the prior period, external non-controlling interests' share of gain on change in fair value of investment properties.

(2) Net (gain)/loss on change in fair value of derivatives includes the fair value of derivatives held by the Group and derivatives held by equity accounted investments.

(3) Transfer of foreign currency reserve from disposed operations to profit and loss, represents the the transfer of the foreign currency translation reserve relating to US investments to the profit and loss.

(4) Net foreign exchange (gain)/loss includes the translation on foreign denominated assets and liabilities held within Australian functional currency entities.

(5) Other includes the straight-lining of lease revenue, straight-lining of upfront receipts from interest rate derivatives, losses on transfer of equity accounted investments to assets held for sale, operating earnings and distributions from financial assets at fair value through profit and loss, pre-acquisition incentive amortisation on equity accounted investments, and income tax expense/(benefit).

Directors' Report (continued)

Financial performance (continued)

The Group reports net profit attributed to unitholders in accordance with Australian Accounting Standards ("AAS"). The Responsible Entity considers the non-AAS measure, operating earnings, an important indicator of underlying performance of the Group. To calculate operating earnings, net profit attributable to unitholders is adjusted to exclude unrealised gains or losses, certain non-cash items, fair value gains or losses on investments and other amounts that are non-recurring or capital in nature. These adjustments may change, depending upon changes to AAS and/or the Responsible Entity's assessment of non-recurring or capital items. No adjustments have been made for amortisation of lease incentives or lease fees as the Responsible Entity considers these to be a component of rental income and/or property expenses. Operating earnings is also included in the Segment information note of the Consolidated Financial Statements, refer to Note 25.

Operating earnings for the year to 30 June 2013 increased by 7% to $137.5 million (30 June 2012: $128.1 million) mainly due to:

- increased net property income of $20.3 million from the acquisition of a 50% interest in 242 Exhibition St, Melbourne and a 25% interest in 126 Phillip St, Sydney in April 2012;
- increased net property income of $6.3 million from the acquisition of 66 St Georges Terrace, Perth in August 2012; and
- increased net property income of $4.5 million from 10 – 20 Bond St, Sydney due to higher occupancy in the current period following a comprehensive refurbishment.

The above increases in operating earnings were partly offset by:

- reduced net property income from the US portfolio of $12.2 million as a result of the sale of US investments in the prior year (investment properties Computer Associates Plaza, Texas and Homer Building, Washington disposed in January 2012, and the Group's interest in 900 Third Ave, New York disposed in March 2012); and
- reduced net property income of $2.6 million due to the sale of the Group's 50 % interest in the NVH Building, Paris in February 2012.

Operating earnings per unit has increased by 11% to 22.4 cents per unit (30 June 2012: 20.1 cents per unit). The increase in operating earnings per unit has been influenced by higher operating earnings and the lower number of units due to the 10% unit buyback completed in December 2011.

During 2013, the Property Council of Australia ("PCA") has been working with key property industry stakeholders to improve the non-AAS measures of operating performance amongst Australian real estate organisations. The aim is to provide investors and analysts with clear, consistent and meaningful information. This has resulted in the PCA releasing a White Paper titled "Voluntary best practice guidelines for disclosing FFO and AFFO". The White Paper sets out principles for determining Property Council Funds From Operations ("Property Council FFO") and Property Council Adjusted Funds From Operations ("Property Council AFFO"). For the financial years ending on and after 30 June 2014 the Responsible Entity's primary non-AAS measure of the Group's performance will be based on Property Council FFO and Property Council AFFO rather than operating earnings.

Property Council FFO is defined as the Group's underlying and recurring earnings from its operations, determined by adjusting statutory net profit (under AIFRS) for non-cash and other items such as the amortisation of tenant incentives and rent free periods, fair value gains / losses on investment property, fair value gains / losses on the mark to market of derivatives, the straight lining of rent, non-FFO deferred tax benefits and expenses, foreign currency translation reserves recognised in net profit, and any other unrealised or one-off items.

Property Council AFFO is defined as the Group's Property Council FFO adjusted for other non-cash and other items such as maintenance capital expenditure, incentives given for the accounting period, derivative close out costs, and other one-off items which have not been adjusted in determining Property Council FFO.

Financial position

A summary of the Group and Prime's net asset position for the year is set out below:

	Investa Office Fund		**Prime Credit Property Trust**	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
Value of total assets ($m)	**2,723.8**	2,502.6	**1,336.3**	1,182.4
Total liabilities ($m)	**737.2**	575.8	**226.0**	108.7
Net assets ($m)	**1,986.6**	1,926.8	**1,110.3**	1,073.7
Net tangible assets per unit (dollars)	**3.23**	3.14	**1.81**	1.86

The value of the Group and Prime's total assets is derived using the basis set out in Note 1 of the Financial Statements. The net tangible assets per unit is calculated by dividing the total equity attributable to unitholders of the Group or Prime by the number of units on issue.

Directors' Report (continued)

Financial position (continued)
Total assets increased by $221.2 million (9%) to $2,723.8 million (30 June 2012: $2,502.6 million) mainly due to the acquisition of 66 St Georges Terrace, Perth in August 2012; additions to existing properties, positive revaluation to the Group's investment property portfolio; and the acquisition of land and commencement of construction relating to 567 Collins Street, Melbourne, an equity accounted investment. Total liabilities increased by $161.4 million (28%) to $737.2 million (30 June 2012: $575.8 million) predominantly due to an increase in debt to fund the acquisition of 66 St Georges Terrace, Perth and construction of 567 Collins Street, Melbourne.

Capital management

	Investa Office Fund	
	30 June 2013	30 June 2012
Drawn debt ($'m)	**617.9**	459.1
Drawn debt – look-through ($'m)(1)	**676.8**	510.8
Gearing ratio – look-through	**26.3%**	21.9%
Weighted average debt expiry – look-through(2)	**3.2 years**	2.4 years
Hedged / fixed – look-through	**55.0%**	72.0%
Leverage ratio – look-through	**29.9%**	26.0%
Interest coverage – look-through (times)	**5.4x**	4.9x

(1) Excludes debt drawn by the Dutch Office Fund investment.
(2) Includes the completion of the U.S. Private Placement described below.

The Group had drawn debt on a look-through basis as at 30 June 2013 of $676.8 million (30 June 2012: $510.8 million). The Group had undrawn committed bank facilities on a look-through basis as at 30 June 2013 of $234.3 million (30 June 2012: $240.5 million).

On 7 November 2012, the Group issued a five year Australian dollar denominated $125.0 million Medium Term Note ("MTN") with a 5.4% coupon rate paid semi-annually, which will mature in November 2017. Proceeds were used to pay down debt drawn under the syndicate bank debt facility.

On 3 April 2013, the Group repaid and cancelled Facility B on its existing syndicate debt facility which had a drawdown limit of $150.0 million.

On 4 April 2013, the Group entered into a number of new bank facilities. The new bank facilities provide the Group the ability to draw $150.0 million on or after 27 June 2013 with a maturity date of 5 August 2016. The terms and conditions of the new facilities are consistent with the Group's pre-existing syndicate facility.

On 4 June 2013, the Group announced the issue of a twelve year US dollar denominated $125.0 million U.S. Private Placement ("USPP"), swapped back to AU$128.9 million, with a margin of 175 basis points over the Bank Bill Swap Rate ("BBSW"). Proceeds were used to repay bank debt upon settlement, which took place on the 12 August 2013.

The average maturity of the Group's debt on a look-through basis at 30 June 2013 was 3.2 years (30 June 2012: 2.4 years). This average maturity includes the completion of the USPP. The Group's earliest maturity date is 14 August 2014 in relation to Tranches A, C and D of the Group's syndicate debt facility.

Business strategies and prospects for future financial years
Information regarding the Responsible Entity's business strategies for the Group and future financial prospects is outlined below.

Business strategies

The key business strategies for the Group as at 30 June 2013 are set out below.

a) Portfolio repositioning

Over the long term, the Responsible Entity seeks to enhance and build the Group's investment property portfolio in major Australian CBD markets consisting of three asset classifications:

- Core assets – these assets will provide a solid income base to support distributions and operations, providing an element of stability through real estate cycles.
- Value add assets - these assets offer greater opportunity for growth through redevelopment, re-leasing, or operational change and improvement.
- Tactical assets – these properties are typically smaller and are not considered to form part of the Group's long-term portfolio positioning.

The portfolio repositioning will be achieved by continuing to transition to a 100% Australian portfolio by selling the two remaining European assets and focusing on acquiring Australian assets with attractive risk-adjusted returns. The repositioning of the portfolio enhances the future financial prospects of the Group by concentrating the portfolio in Australian CBD office markets where the Manager has strong expertise.

Directors' Report (continued)

Business strategies and prospects for future financial years (continued)

b) Optimisation of portfolio performance
A key strategy of the Responsible Entity is to enhance the property portfolio's returns. This will be achieved by:

- Addressing short-term lease expiries and vacancy risks to maximise rental income;
- Continuing to upgrade assets to deliver medium to long term value;
- Continuing to focus on property operational efficiencies;
- Optimising environmental performance of assets through appropriate capital expenditure programs; and
- Enhancing tenant communications and service.

c) Capital management
The Responsible Entity continues to be focused on optimising investment returns through prudent and disciplined capital management. This will be achieved by:

- Further diversifying sources and extending the maturities of debt facilities;
- Maintaining a sustainable level of distributions, being at least to taxable income;
- Targeting gearing levels within 25% - 35%, while acknowledging that gearing may vary from the target in the short term from time to time; and
- Maintaining the BBB+ Standard and Poor's ("S&P") credit rating.

Material business risks
The achievement of the Responsible Entity's business objectives for the Group is subject to the following.

Market cycle	Economic growth and economic environment present risks to tenant vacancies, the availability of funding, the property valuation cycle and interest rates. The mitigation of these risks is discussed further below.
Vacancy levels	The level of vacancy can impact the Group's rental returns and market value of its office properties. A high vacancy level is likely to result in lower rental returns and a lower property values. This risk is mitigated by a strong focus on tenant service and amenities to encourage high levels of tenant retention, together with a focus on managing lease expiries in the near to medium term. The Group has current low levels of existing vacancy (4%) and weighted average lease expiry of 4.9 years across the Australian portfolio.
Property valuation cycle	Conditions prevailing in the general economic environment and the property investment markets in Australia and Europe affect the value of the Group's property investments located in those markets . Decline in the Group's property values would increase the Group's gearing levels, which increases the risk of a breach of financing covenants and may increase borrowing costs. This risk is mitigated by the Group targeting a gearing range with reference to the property valuation cycle and by the Group's investment in high quality commercial grade office buildings. Unlike other developed property markets such as the United States of America, United Kingdom, Hong Kong and Singapore, property values in Australia, where 88% of the portfolio is located, have not risen substantially since the impact of the Global Financial Crisis. Whilst economic conditions remain uncertain, Australian commercial property investments are currently attracting significant interest from international investors seeking attractive income returns.
Availability of funding	The availability of capital funding can impact the Group's level of liquidity and growth as a shortage of available capital would impact the ability to refinance maturing debt facilities and limit the ability to invest in new or existing assets. This risk is mitigated by the Group continuing to diversity sources of financing, staggering debt maturities and the Group's target gearing range of 25%-35%.
Interest rates	The level of interest rates can affect the amount of interest payable on the Group's debt facilities as well impacting investor sentiment towards property assets and hence market values. Higher interest rates increase interest costs and encourage reduced investment, while low interest rates reduce interest costs and can encourage increased investment activity. Interest payable risk is mitigated by the use of interest rate derivatives based on hedge ratio limit ranges outlined in Note 21(a) of the Financial Statements.
Exchange rate risk	The Group is exposed to movements in the AUD/EUR exchange rate through its investments in the Dutch Office Fund and Bastion Tower, Belgium. Exchange rate risk is mitigated by the matching of the EUR currency assets with EUR currency borrowings. At 30 June 2013, on a look through basis 83% of the value of the Group's European investment had been hedged with EUR denominated liabilities. The Group is exposed to movements in the AUD/USD exchange rate through its issue of the US$125.0 million USPP in August 2013. Exchange rate risk is mitigated by the use of a cross currency swap, which minimises both the interest rate and exchange rate risk on these borrowings.

Directors' Report (continued)

Business strategies and prospects for future financial years (continued)

Material business risks (continued)

Euro zone deterioration	The growth outlook within the Euro zone can impact rental and investment returns in the Group's European investments and its ability to exit these investments. The Responsible Entity intends to exit these investments as soon as market conditions allow, with a sale program underway for the Bastion Tower, Belgium investment.

Future financial prospects

The Group's portfolio is continuing to transition to a 100% Australian portfolio with the aim of selling the Belgian investment, Bastion Tower in the forthcoming year. The exit options and strategies for the DOF investment continue to be assessed by the Responsible Entity. Assuming the sale of Bastion Tower in the near term, the Group's residual investment in Europe will represent 9% of the overall Group investment portfolio.

The Australian economy is currently experiencing a challenging economic environment as the growth in the resource sector slows. As a result of a slowing economy and continued economic uncertainty offshore, business confidence levels are low. Cost reduction is a key business focus and unemployment is rising. This environment has led to many businesses reducing the amount of office space they occupy and has led to an increase in vacancy rates across the major office markets of Australia. According to the Property Council of Australia, the central business district vacancy rate across Australia as at 30 June 2013 stood at 10.1% (30 June 2012: 7.3%). Current vacancy levels are now at or around long term average level.

With the significant amount of space leased in the Group's Australian portfolio over the past 24 months, the Group is somewhat isolated from the current weak levels of tenant demand, particularly in Sydney and Melbourne where only 5% of the Group's income is subject to lease expiry over the period to 30 June 2014. The Group's key income risk is at 140 Creek Street, Brisbane where the ATO will vacate 10,497sqm in February 2014. This building will be subject to a major upgrade including a new foyer and lifts and the ATO floors will be fully refurbished to maximise the potential for re-letting this space.

While interest rate risk exists, the Group's exposure to movements in interest rates is managed through risk management techniques, which reduces interest rate volatility to a level where it is not considered to have an adverse effect on the ability of the Responsible Entity to meet its business objectives for the Group.

The Group has $234.3 million in undrawn debt capacity and has proven the ability to raise new debt in the market, as supported by the following activity that has taken place during the 30 June 2013 financial year:

- The issue of the A$125.0 million MTN;
- The arranging of a US$125.0 million USPP; and
- Entering into new debt facility agreements, providing the Group the ability to draw an additional $150.0 million.

Earnings guidance

The Group's 30 June 2014 forecast earnings guidance (based on Property Council FFO) is 26.5 cents per unit (30 June 2013: 25.0 cents) with a full year distribution of 18.50 cents per unit (30 June 2013: 17.75 cents). This guidance is subject to prevailing market conditions and assumes no acquisitions or disposals other than the sale of Bastion Tower, Belgium.

Events occurring after the reporting period

The settlement of the 99 Walker Street, North Sydney acquisition occurred on 24 July 2013 for a purchase price of $124.9 million plus settlement adjustments and transaction costs.

The USPP settled on 12 August 2013 with funds, amounting to AUD$128.9 million as at that date, used to repay the Group and Prime's existing syndicated bank debt.

The Directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt within this report or the financial report that has significantly or may significantly affect the operations of the Group or Prime, the results of those operations, or state of the Group's or Prime's affairs in future financial periods.

Directors' Report (continued)

Interests in the Trusts

Movement in units during the year is set out below:

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013 millions	30 June 2012 millions[(1)]	**30 June 2013 millions**	30 June 2012 millions[(1)]
Units on issue at the beginning of the year	**614.1**	682.3	**614.1**	682.3
Unit buyback	**-**	(68.2)	**-**	(68.2)
Units on issue at the end of the year	**614.1**	614.1	**614.1**	614.1

(1) Units have been restated for the 1-for-4 unit consolidation which occurred during the 30 June 2012 year. For further details refer to Note 16(d) of the Financial Statements.

Investa Listed Funds Management Limited and its associates had the following interest in the Trusts as at 30 June 2013:

	Number of units held			
	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
Name	**'000**	'000	**'000**	'000
Investa Listed Funds Management Limited	**17,055**	17,055	**17,055**	17,055
Post Sale Portfolio Issuer Pty Limited	**10,576**	-	**10,576**	-
	27,631	17,055	**27,631**	17,055

Interests of Directors of the Responsible Entity

Units in the Trusts held by Directors of Investa Listed Funds Management Limited as at 30 June 2013 were:

	Number of units
Deborah Page AM	16,125
Peter Dodd	19,902
Scott MacDonald	74,450
Ming Long	15,000

Environmental regulation

The Directors of the Responsibility Entity are satisfied that adequate systems are in place for the management of the Trusts' environmental responsibility and compliance with various license 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

The officers of the Responsible Entity are covered under an insurance policy maintained by Investa Property Group Holdings Pty Limited on behalf of all its subsidiaries, including the Responsible Entity. Premiums for the insurance policies relating to its officers are paid for by Investa Properties Pty Limited and then charged back to the Responsible Entity and not the Group. Furthermore, the Responsible Entity may indemnify, on a full indemnity basis and to the full extent permitted by the law, each officer against all losses or liabilities incurred by the person as an officer of the Responsible Entity.

PricewaterhouseCoopers ("PwC") as auditor the Group is not indemnified out of the assets of the Group.

Other information

The Australian Taxation Office ("ATO") is conducting an audit of the income tax returns for the financial years of 2009 and 2010 for the Fund and financial years of 2008, 2009 and 2010 for Prime.

Fees paid and payable to and the number of units in the Trusts held by the Responsible Entity and its associates at the end of the financial year are set out in Note 22 of the Financial Statements.

Audit and non-audit fees

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 context of this policy. 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 and Prime are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided are detailed in Note 23 of the Financial Statements.

Directors' Report (continued)

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

Rounding of amounts

The Trusts are of a kind of entity referred to in Class Order 98/100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the Directors' report and in the Financial Statements. Amounts in the Directors' report and 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.

This report is made in accordance with a resolution of the Directors.

Deborah Page AM
Chairman
Sydney
21 August 2013

Auditor's Independence Declaration

As lead auditor for the audit of Investa Office Fund and Prime Credit Property Trust for the year ended 30 June 2013, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Investa Office Fund and the entities it controlled during the period and Prime Credit Property Trust and the entities it controlled during the period.

SJHadfield

S J Hadfield
PricewaterhouseCoopers

21 August 2013

PricewaterhouseCoopers, ABN 52 780 433 757
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Consolidated Income Statements
For the year ended 30 June 2013

		Investa Office Fund		Prime Credit Property Trust	
		30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	Note	**$m**	$m	**$m**	$m
Revenue from continuing operations					
Rental and other property income		**175.3**	162.7	**81.8**	73.3
Distribution received from financial asset at fair value through profit or loss		**14.8**	16.0	**-**	-
Interest income		**0.9**	3.7	**0.5**	11.4
		191.0	182.4	**82.3**	84.7
Other Income					
Net foreign exchange gain/(loss)		**4.8**	25.8	**1.9**	(6.5)
Net gain/(loss) on change in fair value of:					
Investment properties		**39.4**	78.8	**14.0**	48.1
Derivative financial instruments		**(5.7)**	(11.3)	**(4.0)**	(1.2)
Loss on financial asset at fair value through profit or loss	9	**(23.0)**	(28.9)	**-**	-
Net (loss) / gain on disposal of investments		**-**	(0.7)	**-**	0.3
Share of net profit of equity accounted investments	12	**41.9**	13.8	**40.8**	5.4
Loss on transfer of equity accounted investments to assets held for sale	5	**(1.3)**	-	**-**	-
Total Income		**247.1**	259.9	**135.0**	130.8
Expenses					
Property expenses		**(40.8)**	(38.0)	**(20.9)**	(18.6)
Responsible Entity's fees		**(9.4)**	(8.6)	**(5.2)**	(4.7)
Finance costs		**(32.2)**	(15.7)	**(10.4)**	(2.8)
Fair value loss of acquisition costs on equity accounted investments	12	**-**	(12.2)	**-**	(12.2)
Other expenses		**(3.0)**	(2.8)	**(0.9)**	(1.1)
Total Expenses		**(85.4)**	(77.3)	**(37.4)**	(39.4)
Profit before income tax		**161.7**	182.6	**97.6**	91.4
Income tax expense	6	**(2.4)**	(0.7)	**(0.5)**	-
Profit from continuing operations for the year		**159.3**	181.9	**97.1**	91.4
Loss from discontinuing operations for the year	5	**(0.6)**	(73.4)	**(0.6)**	(73.4)
Profit for the year		**158.7**	108.5	**96.5**	18.0
Net profit attributable to external non-controlling interests		**-**	(6.6)	**-**	(6.6)
Net profit attributable to unitholders		**158.7**	101.9	**96.5**	11.4
Attributable to unitholders of:					
Armstrong Jones Office Fund		**62.2**	90.5	**-**	-
Prime Credit Property Trust		**96.5**	11.4	**96.5**	11.4
		158.7	101.9	**96.5**	11.4
Distributions and earnings per unit					
Distributions per unit	3	**17.75**	17.50	**9.75**	9.20
Basic and diluted earnings per unit from net profit from continuing operations:					
Per stapled unit	4	**25.9**	28.6	**na**	na
Per unit of each trust	4	**10.1**	14.2	**15.8**	14.4
Basic and diluted earnings per unit from net profit					
Per stapled unit	4	**25.8**	16.0	**na**	na
Per unit of each trust	4	**10.1**	14.2	**15.7**	1.8

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

Consolidated Statements of Comprehensive Income
For the year ended 30 June 2013

	Note	Investa Office Fund 30 June 2013 $m	Investa Office Fund 30 June 2012 $m	Prime Credit Property Trust 30 June 2013 $m	Prime Credit Property Trust 30 June 2012 $m
Net profit for the year		**158.7**	108.5	**96.5**	18.0
Other comprehensive income:					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	17	**10.1**	(24.0)	**-**	7.4
Transfer of foreign currency translation reserve from disposed operations to profit and loss	17	**-**	131.1	**-**	131.1
Total comprehensive income for the year		**168.8**	215.6	**96.5**	156.5
Total comprehensive income for the year attributable to unitholders of:					
Armstrong Jones Office Fund		**72.3**	59.1	**-**	-
Prime Credit Property Trust		**96.5**	149.9	**96.5**	149.9
		168.8	209.0	**96.5**	149.9
External non-controlling interests		**-**	6.6	**-**	6.6
Total comprehensive income for the year		**168.8**	215.6	**96.5**	156.5
Total comprehensive income for the year attributable to unitholders arising from:					
Armstrong Jones Office Fund					
Continuing operations		**72.3**	59.1	**-**	-
Prime Credit Property Trust					
Continuing operations		**97.1**	91.4	**97.1**	91.4
Discontinued operations	5	**(0.6)**	58.5	**(0.6)**	58.5
		96.5	149.9	**96.5**	149.9
External non-controlling interests					
Discontinued operations	5	**-**	6.6	**-**	6.6
		168.8	215.6	**96.5**	156.5

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.

Consolidated Statements of Financial Position
As at 30 June 2013

		Investa Office Fund		Prime Credit Property Trust	
		30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	Note	**$m**	$m	**$m**	$m
Current assets					
Cash and cash equivalents	7	**12.4**	18.2	**1.9**	6.6
Trade and other receivables	8	**7.6**	2.6	**6.6**	2.1
Derivative financial instruments	10	**4.5**	5.0	**0.1**	1.0
		24.5	25.8	**8.6**	9.7
Assets classified as held for sale	5	**60.2**	26.2	**0.8**	5.0
		84.7	52.0	**9.4**	14.7
Non-current assets					
Trade and other receivables	8	**25.6**	3.0	**16.2**	3.0
Investment properties	11	**1,926.8**	1,770.7	**881.3**	770.4
Investments accounted for using the equity method	12	**427.6**	425.3	**427.6**	394.3
Financial asset at fair value through profit or loss	9	**257.3**	247.2	**-**	-
Derivative financial instruments	10	**1.8**	4.4	**1.8**	-
		2,639.1	2,450.6	**1,326.9**	1,167.7
Total assets		**2,723.8**	2,502.6	**1,336.3**	1,182.4
Current liabilities					
Trade and other payables	13	**24.7**	24.9	**13.2**	13.9
Derivative financial instruments	10	**-**	0.4	**-**	-
Distribution payable	3	**55.3**	59.6	**30.7**	24.6
		80.0	84.9	**43.9**	38.5
Liabilities directly associated with assets classified as held for sale	5	**27.6**	23.4	**0.4**	2.9
		107.6	108.3	**44.3**	41.4
Non-current liabilities					
Borrowings	14	**616.5**	457.8	**176.8**	67.3
Derivative financial instruments	10	**13.1**	9.5	**4.9**	-
Deferred tax liabilities	15	**-**	0.2	**-**	-
		629.6	467.5	**181.7**	67.3
Total liabilities		**737.2**	575.8	**226.0**	108.7
Net assets		**1,986.6**	1,926.8	**1,110.3**	1,073.7
Equity					
Contributed equity	16	**2,142.3**	2,142.3	**1,193.8**	1,193.8
Reserves	17	**(105.3)**	(115.4)	**-**	-
Accumulated losses	18	**(50.4)**	(100.1)	**(83.5)**	(120.1)
Total equity		**1,986.6**	1,926.8	**1,110.3**	1,073.7
Attributable to unitholders of:					
Armstrong Jones Office Fund					
Contributed equity		**948.5**	948.5	**-**	-
Reserves		**(105.3)**	(115.4)	**-**	-
Retained earnings		**33.1**	20.0	**-**	-
		876.3	853.1	**-**	-
Prime Credit Property Trust		**1,110.3**	1,073.7	**1,110.3**	1,073.7
Total equity		**1,986.6**	1,926.8	**1,110.3**	1,073.7

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

Consolidated Statements of Changes in Equity
For the year ended 30 June 2013

	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 2011		**2,308.2**	**(222.5)**	**(92.5)**	**1,993.2**	**23.6**	**2,016.8**
Net profit for the year		-	-	101.9	101.9	6.6	108.5
Other comprehensive income	17	-	107.1	-	107.1	-	107.1
Total comprehensive income for the year		-	107.1	101.9	209.0	6.6	215.6
Transactions with unitholders in their capacity as equity holders:							
Buyback of units	16	(165.9)	-	-	(165.9)	-	(165.9)
Non-controlling interest within disposal of subsidiary		-	-	-	-	(29.9)	(29.9)
Distributions paid or payable	3	-	-	(109.5)	(109.5)	(0.3)	(109.8)
		(165.9)	-	(109.5)	(275.4)	(30.2)	(305.6)
Balance at 30 June 2012		**2,142.3**	**(115.4)**	**(100.1)**	**1,926.8**	**-**	**1,926.8**
Balance at 1 July 2012		**2,142.3**	**(115.4)**	**(100.1)**	**1,926.8**	**-**	**1,926.8**
Net profit for the year		-	-	158.7	158.7	-	158.7
Other comprehensive income	17	-	10.1	-	10.1	-	10.1
Total comprehensive income for the year		-	10.1	158.7	168.8	-	168.8
Transactions with unitholders in their capacity as equity holders:							
Distributions paid or payable	3	-	-	(109.0)	(109.0)	-	(109.0)
		-	-	(109.0)	(109.0)	-	(109.0)
Balance at 30 June 2013		**2,142.3**	**(105.3)**	**(50.4)**	**1,986.6**	**-**	**1,986.6**

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

Consolidated Statements of Changes in Equity
For the year ended 30 June 2013

	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 2011		**1,282.9**	**(138.5)**	**(74.3)**	**1,070.1**	**23.6**	**1,093.7**
Net profit for the year		-	-	11.4	11.4	6.6	18.0
Other comprehensive income	17	-	138.5	-	138.5	-	138.5
Total comprehensive income for the year		-	138.5	11.4	149.9	6.6	156.5
Transactions with unitholders in their capacity as equity holders:							
Buyback of units	16	(89.1)	-	-	(89.1)	-	(89.1)
Non-controlling interest within disposal of subsidiary		-	-	-	-	(29.9)	(29.9)
Distributions paid or payable	3	-	-	(57.2)	(57.2)	(0.3)	(57.5)
		(89.1)	-	(57.2)	(146.3)	(30.2)	(176.5)
Balance at 30 June 2012		**1,193.8**	**-**	**(120.1)**	**1,073.7**	**-**	**1,073.7**
Balance at 1 July 2012		**1,193.8**	**-**	**(120.1)**	**1,073.7**	**-**	**1,073.7**
Net profit for the year		-	-	96.5	96.5	-	96.5
Other comprehensive income	17	-	-	-	-	-	-
Total comprehensive income for the year		-	-	96.5	96.5	-	**96.5**
Transactions with unitholders in their capacity as equity holders:							
Distributions paid or payable	3	-	-	(59.9)	(59.9)	-	(59.9)
		-	-	(59.9)	(59.9)	-	(59.9)
Balance at 30 June 2013		**1,193.8**	**-**	**(83.5)**	**1,110.3**	**-**	**1,110.3**

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

Consolidated Statements of Cash Flows
For the year ended 30 June 2013

		Investa Office Fund		Prime Credit Property Trust	
		30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	Note	**$m**	$m	**$m**	$m
Cash flows from operating activities					
Rental and other property income (inclusive of GST)		**203.1**	202.3	**97.9**	103.6
Property and other expenses (inclusive of GST)		**(70.7)**	(75.7)	**(34.9)**	(42.8)
Proceeds from derivatives		**3.8**	8.6	**1.0**	2.6
Payments for derivatives		**-**	(22.5)	**-**	(21.8)
Distributions received from financial asset at fair value through profit or loss		**14.8**	16.0	**-**	-
Distribution received from equity accounted investments	12	**26.3**	7.6	**26.3**	7.6
Interest received		**0.6**	3.7	**0.2**	11.4
Borrowing costs paid		**(30.0)**	(20.6)	**(9.4)**	(9.0)
Income taxes paid		**(4.4)**	(35.7)	**(3.1)**	(32.8)
Net cash inflow from operating activities	26	**143.5**	83.7	**78.0**	18.8
Cash flows from investing activities					
Additions to investment properties		**(41.0)**	(46.1)	**(18.7)**	(26.2)
Cost of acquisition of investment properties	11	**(86.6)**	-	**(86.6)**	-
Deposit for asset acquisition	8	**(9.4)**	-	**-**	-
Net proceeds from sale of investments		**0.2**	-	**0.2**	-
Net proceeds from sale of disposal group		**-**	232.0	**-**	232.0
Acquisitions and contribution to investments in associates	12	**(18.8)**	(406.1)	**(18.8)**	(406.1)
Loans (to)/from equity accounted investments		**(14.9)**	84.5	**(15.9)**	-
Loans (repaid)/made to stapled entity		**-**	-	**(2.9)**	234.7
Net cash (outflow)/inflow from investing activities		**(170.5)**	(135.7)	**(142.7)**	34.4
Cash flows from financing activities					
Payment for buyback of units	16	**-**	(165.9)	**-**	(89.1)
Distributions to unitholders		**(113.3)**	(76.5)	**(53.8)**	(32.6)
Distributions to external non-controlling interests	3	**-**	(0.3)	**-**	(0.3)
Proceeds from borrowings		**341.2**	780.8	**177.0**	138.0
Repayment of borrowings		**(210.0)**	(485.7)	**(68.0)**	(70.0)
Net cash inflow/(outflow) from financing activities		**17.9**	52.4	**55.2**	(54.0)
Net (decrease)/increase in cash and cash equivalents		**(9.1)**	0.4	**(9.5)**	(0.8)
Cash and cash equivalents at the beginning of the year		**18.2**	22.8	**6.6**	10.9
Effects of exchange rate changes on cash and cash equivalents		**(0.8)**	(0.2)	**0.7**	1.3
Less cash balance transferred from/(to) assets held for sale	5	**4.1**	(4.8)	**4.1**	(4.8)
Cash and cash equivalents at the end of the year	7	**12.4**	18.2	**1.9**	6.6

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

Notes to the Consolidated Financial Statements
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies

(a) The Group

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

The Responsible Entity for the Fund and Prime for the period from 1 July 2011 to 8 July 2011 was ING Management Limited ("IML"). IML is an Australian domiciled company and is a wholly owned company within the ING Group NV group of companies. On 8 July 2011 Investa Listed Funds Management Limited ("ILFML") replaced IML as the Responsible Entity for the Fund and Prime.

The accounting policies that have been adopted in respect of this Annual Financial Report are those of Investa Listed Funds Management Limited ("ILFML") as Responsible Entity for 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 to 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:
(i) subject to approval by a special resolution of the members of the Fund and Prime, the date determined by the trustee of the Fund or Prime as the unstapling date; or
(ii) the termination 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 Directors of the Responsible Entity have authorised the Annual Financial Report for issue and have the power to amend and reissue the Annual Financial Report.

(b) Basis of preparation

These general purpose Financial Statements have been prepared in accordance with Accounting Standards and other pronouncements of the Australian Accounting Standards Board ("AASB"), Urgent Issues Group ("UIG") Interpretations and the *Corporations Act 2001*. The Investa Office Fund is a for-profit entity for the purpose of preparing the Financial Statements.

In accordance with Accounting Standard AASB 3 *Business Combinations*, the stapling arrangement discussed above is regarded as a business combination and Armstrong Jones Office 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 Annual Financial Report is a combined financial report that presents the Consolidated Financial Statements and accompanying notes of both the Investa Office Fund (being the Consolidated Financial Statements and notes of the Group) and the Prime Credit Property Trust.

This Annual Financial Report is presented in Australian dollars unless otherwise stated.

(i) *Compliance with IFRS*
The Consolidated Financial Statements comply with International Financial Reporting Standards ("IFRS") as issued by International Accounting Standards Board ("IASB").

(ii) *Historical cost convention*
These Financial Statements are prepared on the historical cost conventions, as modified by the revaluation of financial assets and liabilities (including derivative financial instruments) and investment property, which are measured at fair value.

(iii) *Going Concern*
These Consolidated Financial Statements are prepared on the going concern basis. In preparing these Consolidated Financial Statements the Directors note that the Group and Prime are in a net current asset deficiency position due to the provision for distribution and minimising cash and cash equivalents. It is the policy of the Group and Prime to use surplus cash to repay debt, and the Group and Prime have the ability to drawdown funds to pay the distribution on 30 August 2013. Refer to Note 14 for details of the Group's and Prime's borrowings.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(b) Basis of preparation (continued)

(iv) *Critical accounting estimates*
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 accounting policies adopted in this Annual Financial Report. 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.

(v) *New and amended standards adopted by the Responsible Entity*
None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2012 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, amendments made to AASB 101 *Presentation of Financial Statements* effective 1 July 2012 now require the statement of comprehensive income to show the items of comprehensive income grouped into those that are not permitted to be reclassified to profit or loss in a future period and those that may have to be reclassified if certain conditions are met.

(vi) *Early adoption of standards*
The Responsible Entity has elected not to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2012.

(c) Principles of consolidation

(i) *Subsidiaries*
The Consolidated Financial Statements of Investa Office Fund 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 2013 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 2013 and the results of all subsidiaries for the year then ended.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a holding of greater 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 fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Income Statements, Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Financial Position respectively.

(ii) *Associates*
Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a holding of between 20% and 50% of the voting rights. 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. Dividends or distributions receivable from associates are recognised as a reduction in the carrying amount of the investment.

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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(c) Principles of consolidation (continued)

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 the policies adopted by the Group.

(iii) *Joint venture assets*
The Group's proportionate interests in the assets, liabilities, revenues and expenses of a joint venture activity have been incorporated in the Financial Statements under the appropriate headings.

(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 Responsibility 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 presentational 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.

All other foreign exchange gains and losses are presented in the Consolidated Income Statements 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. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(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 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 Statement of Financial Position.
- 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 associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(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 and other property income*
Rental income from operating leases is recognised in income on a straight-line basis over the lease term. An asset is recognised to represent the portion of the operating lease revenue in a reporting period relating to fixed increases in operating lease rentals in future periods.

(ii) *Disposal of assets*
The gain or loss on disposal is recognised when title to the benefits and risks has effectively passed. The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the time of the disposal and the consideration received.

(iii) *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.

(iv) *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(p).

(g) Expenses

(i) *Property Expenses*
Property expenses include rates, leasing fees, taxes and other property outgoings incurred in relation to investment properties where such expenses are recognised as expenses on an accrual basis.

(ii) *Finance costs*
Finance costs include interest expense and the amortisation of other costs incurred in respect of obtaining finance. Other costs incurred, including loan establishment fees in respect of obtaining finance, are deferred and expensed over the term of the respective agreement.

(iii) *Responsible Entity's fee*
In accordance with the provisions of the Fund and Prime's Constitutions, the Responsible Entity is entitled to payment of a fee per annum as disclosed in Note 22. The fee is recognised in the Consolidated Income Statements on an accrual basis.

(iv) *Other expenses*
All other expenses are recognised in the Consolidated Income Statements on an accruals basis.

(h) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flow, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(i) Trade and other receivables

Trade 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 assets unless collection is not expected for greater 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 (provision for impairment of trade 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 (greater 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. 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 in profit or loss.

(j) Assets and liabilities held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than 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 assets such as deferred tax assets and liabilities, financial assets and investment property that are carried at fair value.

An impairment loss is recognised for any initial impairment or subsequent write-down of the asset (or disposal group) 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 (or disposal group), 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 (or disposal group) is recognised at the date of derecognition.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the Statements of Financial Position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the Statements of Financial Position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the Income Statements. Comparatives are also adjusted to show the results of a discontinued operation separately in the Income Statements.

(k) Acquisition of assets and business combinations

The acquisition method of accounting is used to account for all acquisitions of assets, including business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair value 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(k) Acquisition of assets and business combinations (continued)

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree over the fair value of the net identifiable 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.

(l) Investments and other financial instruments

Classification
The Group classifies its financial assets in the following categories: loans and receivables and financial assets at fair value through profit or loss. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

(i) *Loans and receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Receivables to be settled within 30 days are carried at amounts due.

(ii) *Financial assets at fair value through profit or loss*
As the Group's derivatives are not designated as hedges, they are classified as financial assets at fair value through profit or loss, refer to Note 1(m). Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

(iii) *Financial assets at fair value through profit or loss (on initial recognition)*
The Group classifies certain financial assets as financial assets at fair value through profit or loss on initial recognition as this group of financial assets are managed and its performance are evaluated on a fair value basis in accordance with a documented risk management or investment strategy, and information about the group is provided to the Trusts key management personnel. Assets in this category are classified as current assets if they are expected to be settled within 12 months; otherwise they are classified as non-current.

Recognition and de-recognition
Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss are presented in profit or loss within other income or other expenses in the period in which they arise. Dividend and distribution income from financial assets at fair value through profit or loss is recognised in profit or loss as part of revenue from continuing operations when the Group's right to receive payments is established. Interest income from these financial assets is included in the net gains/ (losses).

Details of how the fair value of financial instruments is determined are disclosed in Note 2.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(l) Investments and other financial instruments (continued)

Impairment
The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

For loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

(m) Derivative financial instruments

Derivative financial assets and liabilities are classified as financial assets at fair value through profit or loss (held for trading). The Group uses derivative financial instruments such as foreign currency contracts and interest rate derivatives to hedge its risk 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 re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

(i) *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 disposed (see Note 5).

(ii) *Other derivatives*
Certain 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.

(n) Investment properties

Investment property, principally comprising freehold office buildings, is held for long term rental yields and is not wholly occupied by the Group. Investment property is measured initially at cost and subsequently carried at fair value.

The basis of valuation of investment properties is fair value, being the amount for which the assets could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. The Group also uses alternative valuation methods such as discounted cash flow projections; the capitalisation method and recent prices in less active markets. It is the policy of the Responsible Entity to formally review the carrying value of each property every 6 months to assess whether there may be a material change in the carrying value of the property. If there is a material change an external revaluation is obtained. External valuations are also made with sufficient regularity but at least every 2 years to ensure that the carrying amount of each investment property represents its fair value. Changes in fair values are recorded in the profit or loss.

On acquisition of investment property, the Group considers the price outlined in the contract for sale to best reflect its fair value. Therefore, while initially recorded as part of the cost of the investment property, any incidental costs relating to acquisition incurred above-and-beyond the sales price are immediately transferred to the profit or loss as a change in fair value.

The gain or loss on disposal of revalued assets is calculated as the difference between the carrying amount of the asset at the date of disposal and the net proceeds from disposal and is included in profit or loss in the year of disposal.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(n) Investment properties (continued)

Land and buildings are an investment and are regarded as a composite asset. Accounting standards do not require investment properties to be depreciated. Accordingly, the building and any component thereof (including plant and equipment) are not depreciated. Expenses capitalised to properties may include the cost of acquisition, additions, refurbishment, redevelopment and fees incurred.

(i) *Investment properties under construction*
Investment properties also include properties under construction for the future use as investment properties. These are measured initially at cost and subsequently carried at fair value.

Cash or cash equivalents paid, or the fair value of other consideration given to construct investment properties is considered part of the cost of the property under construction. This includes costs such as interest expenses. The cost of an investment property under construction can also include certain types of property related revenue (such as interest income), earned by the Group during the property's construction.

There are generally no active markets for investment properties under construction resulting in a lack of comparable transactions. As such the Responsible Entity uses a discounted cash flow model in determining the fair value of investment properties under construction.

Where the fair value of an investment property under construction is not reliably determinable, and the Group expects the fair value of the property to be reliably determinable when construction is complete, the Group measures the investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier).

(ii) *Investment properties under redevelopment*
Existing investment properties being redevelopment for continued future use are carried at fair value.

(o) Lease incentives and leasing fees

Incentives such as cash, rent-free periods, lessee or lessor owned fit outs may be provided to lessees to enter into an operating lease. Leasing fees may also be paid for the negotiation of leases. These incentives and lease fees are capitalised to the investment property and are amortised on a straight-line basis over the term of the lease as a reduction of rental income. The carrying amount of the lease incentives and leasing fees are reflected in the fair value of investment properties.

(p) 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 costs to sell and value in use. For the purposes of assessing impairment, assets are grouped by 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 other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(q) Trade and other payables

These amounts represent liabilities for amounts owing by the Group at year end which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition and also include rent in advance. 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 fair value and subsequently measured at amortised cost using the effective interest rate method.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are deferred and expensed over the term of the respective agreement. Other borrowing costs are expensed. 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 reporting period.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(s) Contributed Equity

Units issued are classified as equity. Incremental costs directly attributable to the issue of new units are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new units for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(t) Distributions

Provision is made for the amount of any distribution calculated on or before the end of the reporting period but not distributed at the end of the reporting period.

(u) Earnings per unit

(i) *Basic and dilutive earnings per unit*
Basic earnings per unit are calculated on 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.

(ii) *Basic and dilutive earnings per unit from continuing operations*
Basic earnings per unit from continuing operations are calculated on the profit from continuing operations 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 from continuing operations is the same as basic earnings per unit from continuing operations.

(iii) *Basic and dilutive earnings per unit from discontinued operations*
Basic earnings per unit from discontinued operations are calculated on the profit from discontinued operations 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 from discontinued operations is the same as basic earnings per unit from discontinued operations.

(v) 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 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 year is the tax payable on the current year's taxable income based on the applicable income tax for each jurisdiction, adjusted by 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. 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. The deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively 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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(v) Income tax (continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where 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.

(w) Goods and services tax (GST) and valued added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of associated GST and VAT, unless the GST or VAT incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST and VAT receivable or payable. The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Consolidated Statements of Financial Position.

Cash flows are presented on a gross basis. The GST and VAT components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(x) Rounding of amounts

The Fund and Prime are of a kind of entity referred to in Class Order 98/100 (as amended), 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, unless otherwise indicated.

(y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for reporting periods ended 30 June 2013. The Responsible Entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* (effective from 1 January 2015).

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2013 but is available for early adoption. When adopted, the standard will affect the classification and measurement of financial assets and liabilities.

The Responsible Entity's preliminary assessment shows that the new standard will not have a significant impact on the composition of the Financial Statements and the Group does not expect to adopt the new standard before the operative date.

(ii) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, revised AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2013).

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, Consolidated Financial Statements and associated disclosures.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(y) New accounting standards and interpretations (continued)

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 Consolidation – *Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. Application of this standard by the Group will not affect any of the amounts recognised in the Financial Statements, but will impact the type of information disclosed in relation to the Group's investments.

AASB 127 is renamed *Separate Financial Statements* and is now a standard dealing solely with separate Financial Statements. Application of this standard by the Group will not affect any of the amounts recognised in the Financial Statements.

Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept.

The Responsible Entity's preliminary assessment shows that the new standards will not have a significant impact on the composition of the Financial Statements and the Group does not expect to adopt the new standards before the operative date.

(iii) AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards* arising from AASB 13 (effective 1 January 2013).

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the Financial Statements. However, application of the new standard will impact the type of information disclosed in the notes to the Financial Statements. The Group does not intend to adopt the new standard before its operative date.

There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

(z) Parent entity financial information

The financial information for the parent entity, disclosed in Note 24 has been prepared on the same basis as the Consolidated Financial Statements, except as set out below.

(i) *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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 1. Summary of significant accounting policies (continued)

(aa) Change in accounting policy

The Group has changed its accounting policy relating to the amortisation of tenant incentives to best reflect the impact they have on property income. Previously tenant incentives were amortised through property expenses in the consolidated income statement. For the year ended 30 June 2013, the amortisation of tenant incentives has been disclosed as a reduction in rental and other property income in the consolidated income statement, and the comparatives have been adjusted to reflect this change in accounting policy.

The change in accounting treatment of tenant incentive amortisation does not impact net assets or net profit as outlined below:

	Investa Office Fund		**Prime Credit Property Trust**	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Profit / (loss) from continuing operations:				
Decrease in rental and other property income	**(8.5)**	(7.2)	**(4.8)**	(5.1)
Decrease in property expenses	**8.5**	7.2	**4.8**	5.1
Profit / (loss) from discontinuing operations:				
Decrease in rental and other property income	**-**	(0.6)	**-**	(0.6)
Decrease in property expenses	**-**	0.6	**-**	0.6
Net profit	**-**	-	-	-

Other than the above amendments, the accounting policies adopted are consistent with those of the previous financial year and corresponding annual reporting period.

Note 2. Critical accounting estimates and judgements

The preparation of the Consolidated Financial Statements requires the use of certain critical accounting estimates. It also requires ILFML as 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 where assumptions and estimates are significant to the Consolidated 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 Group and are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group is required in certain circumstances to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, 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) Estimated value of investments

Critical judgements are made by the Responsible Entity in respect of the fair values of investment properties (Note 11) and investment in associates (Note 12). These investments are reviewed regularly by reference to external independent property valuations and market conditions, using generally accepted market practices.

The key weighted average assumptions used by the external independent property valuers in the valuations used by the Responsible Entity for the Group's investment properties held directly or indirectly through investments in associates, and the weighted average total for all properties, including the weighted average lease expiry ("WALE"), are in the table below.

	Investment properties		**Investment accounted for using the equity method**		**Total weighted average**	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012	**30 June 2013**	30 June 2012
Capitalisation rate	**7.7%**	7.8%	**6.5%**	6.6%	**7.5%**	7.6%
Discount rate	**9.2%**	9.3%	**8.6%**	8.8%	**9.1%**	9.2%
Occupancy	**96.0%**	95.7%	**97.5%**	96.4%	**96.3%**	95.8%
WALE	**5.2 years**	5.1 years	**5.7 years**	6.0 years	**5.3 years**	5.3 years

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 2. Critical accounting estimates and judgements (continued)

(a) Critical accounting estimates and assumptions (continued)

(ii) Financial asset at fair value through profit or loss
The Group has a financial asset at fair value through profit or loss of $257.3 million (30 June 2012: $247.2 million) being the investment in the Dutch Office Fund. 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 to Note 9 and Note 21(d) for further details.

(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 Responsible Entity'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 significant judgements, apart from those involving estimations, that management has made in the process of applying the Responsible Entity's accounting policies that had a significant effect on the amounts recognised in the Financial Report.

Note 3. Distributions

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	Cents	Cents	**Cents**	Cents
(a) Rates and amounts of distributions				
Distributions paid or are payable in respect of the following periods at the following rates (in cents per unit):				
Quarter ended 30 September	**-**	3.90	**-**	1.30
Quarter ended 31 December	**-**	3.90	**-**	3.90
Half-year ended 31 December	**8.75**	-	**4.75**	-
Half-year ended 30 June[1]	**9.00**	9.70	**5.00**	4.00
	17.75	17.50	**9.75**	9.20
	$m	$m	**$m**	$m
The total amounts of these distributions were:				
Quarter ended 30 September	**-**	**26.0**	**-**	8.7
Quarter ended 31 December	**-**	**23.9**	**-**	23.9
Half-year ended 31 December	**53.7**	-	**29.2**	-
Half-year ended 30 June[1]	**55.3**	**59.6**	**30.7**	24.6
Total distributions paid and payable to unitholders	**109.0**	**109.5**	**59.9**	57.2
Distributions to external non-controlling interest	**-**	**0.3**	**-**	0.3
Total distributions paid or payable	**109.0**	**109.8**	**59.9**	57.5

[1] The distribution for the half year ended 30 June 2012, includes a one-off special distribution of 1.90 cents per stapled unit which amounts to $11.7 million. The special distribution is a consequence of divesting all US assets, and repatriating those proceeds and associated retained earnings.

The distribution for the quarter year ended 30 June 2012 was recognised in the 2012 financial year and paid on 29 August 2012. The distribution for the half year ended 30 June 2013 was recognised in the 2013 financial year and is scheduled to be paid on 30 August 2013. The distributions per unit have been recalculated for the unit consolidation which occurred during the 2012 financial year as detailed in Note 16(d).

(b) Distribution period

On 6 December 2011 unitholders approved a change of the distribution frequency from quarterly to half yearly, subsequent to the distribution for the quarter ended 31 December 2011.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 4. Earnings per unit

(a) Unit consolidation

In April 2012, the Group undertook a 1-for-4 unit consolidation as outlined in Note 16(d). The basic and diluted earnings per stapled unit and unit of each trust have been recalculated for the unit consolidation which occurred during the year ended 30 June 2012.

	Investa Office Fund	
	30 June 2013	30 June 2012
(b) Per stapled unit		
Weighted average number of units outstanding (millions)	**614.1**	636.5
Profit from continuing operations attributable to unitholders ($ millions)	**159.3**	181.9
Basic and diluted earnings per unit from continuing operations (cents)	**25.9**	28.6
(Loss)/profit from discontinued operations attributable to unitholders ($ millions)	**(0.6)**	(80.0)
Basic and diluted earnings per unit from discontinued operations (cents)	**(0.1)**	(12.6)
Profit attributable to unitholders ($ millions)	**158.7**	101.9
Basic and diluted earnings per unit (cents)	**25.8**	16.0

	Armstrong Jones Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
(c) Per unit of each Trust				
Weighted average number of units outstanding (millions)	**614.1**	636.5	**614.1**	636.5
Profit from continuing operations attributable to unitholders ($ millions)	**62.2**	90.5	**97.1**	91.4
Basic and diluted earnings per unit from continuing operations (cents)	**10.1**	14.2	**15.8**	14.4
(Loss)/profit from discontinued operations attributable to unitholders ($ millions)	**na**	na	**(0.6)**	(80.0)
Basic and diluted earnings per unit from discontinued operations (cents)	**na**	na	**(0.1)**	(12.6)
Profit attributable to unitholders ($ millions)	**62.2**	90.5	**96.5**	11.4
Basic and diluted earnings per unit (cents)	**10.1**	14.2	**15.7**	1.8

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 5. Asset and liabilities classified as held for sale and discontinued operations

(a) Assets classified as held for sale

		Investa Office Fund		Prime Credit Property Trust	
Disposal group held for sale (discontinued operation – see (d) below)		**30 June 2013**	30 June 2012	**30 June 2013**	30 June 2012
		$m	$m	**$m**	$m
Cash and cash equivalents		**0.7**	4.8	**0.7**	4.8
Trade and other receivables		**0.1**	0.2	**0.1**	0.2
Total assets of disposal group held for sale		**0.8**	5.0	**0.8**	5.0
Non-current assets held for sale					
Investment in Bastion Tower I NV, Belgium	**(b)**	**34.2**	-	**-**	-
Investment in Neuilly Victor Hugo SCI, France[1]		**25.2**	21.2	**-**	-
		59.4	21.2	**-**	-
Total assets classified as held for sale		**60.2**	26.2	**0.8**	5.0

[1] The investment property held by this equity accounted investment was sold in February 2012. This investment predominantly comprises a receivable of $24.5 million owed by the Group offset against a payable disclosed in Note 5(c).

(b) Transfer from investments accounted for using the equity method

During the year ended 30 June 2013, the Group's investment in Bastion Tower I NV, Belgium met the criteria as held for sale and accordingly reclassified from an investment accounted for under the equity method to an asset held for sale. As a result of the reclassification, the investment has been valued as follows:

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Transfer from investments accounted for using the equity method - Bastion Tower I NV	**35.5**	-	**-**	-
Selling costs	**(1.3)**	-	**-**	-
	34.2	-	**-**	-

(c) Liabilities directly associated with assets classified as held for sale

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Trade and other payables	**0.4**	0.4	**0.4**	0.4
Current income tax payable	**-**	2.5	**-**	2.5
Payable to equity accounted investments[1]	**27.2**	20.5	**-**	-
	27.6	23.4	**0.4**	2.9

[1] $24.5 million (2012: $20.5 million) of this payable relates to the Neuilly Victor Hugo SCI investment which is held for sale. Settlement of this balance will be completed prior to the liquidation of the Neuilly Victor Hugo SCI investment. During the year ending 30 June 2013, this amount became interest bearing as outlined in Note 21(a).

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 5. Asset and liabilities classified as held for sale and discontinued operations (continued)

(d) Discontinued operations

(i) *Description*

During the year ended 30 June 2012, the Group sold all of its US property interests and the US operations have been accounted for as a discontinued operation since 31 December 2011. The remaining assets and liabilities will continue to be held as part of the disposal group held for sale. The financial performance and cash flow information of the US operations have been set out in (ii) below.

(ii) *Financial performance and cash flow information*

The financial performance and cash flow information presented are for the year to 30 June 2013 and 30 June 2012.

	Investa Office Fund		**Prime Credit Property Trust**	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Rent and other property income[1]	**-**	12.7	-	12.7
Net gain on change in fair value of investment properties	**-**	31.6	**-**	31.6
Net loss on change in fair value of derivatives	**-**	(7.2)	**-**	(7.2)
Share of net profits of equity accounted investments	**-**	7.3	**-**	7.3
Net gain on sale of disposal group	**0.2**	7.7	**0.2**	7.7
Transfer of foreign currency translation reserve from disposed operations to profit and loss	**-**	(131.1)	**-**	(131.1)
Property expenses[1]	**(0.1)**	(7.6)	**(0.1)**	(7.6)
Finance costs	**-**	(5.6)	**-**	(5.6)
Other	**(0.1)**	(0.4)	**(0.1)**	(0.4)
Profit/(loss) before income tax	**-**	(92.6)	**-**	(92.6)
Income tax benefit/(expense)	**(0.6)**	19.2	**(0.6)**	19.2
Profit/(loss) after income tax of discontinued operation	**(0.6)**	(73.4)	**(0.6)**	(73.4)
Less net profit attributable to external non-controlling interests	**-**	(6.6)	**-**	(6.6)
Profit/(loss) after income tax of discontinued operation attributable to unitholders	**(0.6)**	(80.0)	**(0.6)**	(80.0)
Other Comprehensive Income:				
Exchange differences on translation of foreign operations	**-**	7.4	**-**	7.4
Transfer from foreign currency reserve to profit and loss	**-**	131.1	**-**	131.1
Total comprehensive income/(expense) for the year of discontinued operations	**(0.6)**	58.5	**(0.6)**	58.5
Net cash inflow/(outflow) from operating activities	**(1.4)**	(2.7)	**(1.4)**	(2.7)
Net cash inflow/(outflow) from investing activities	**0.2**	228.5	**0.2**	228.5
Net increase in cash generated by the discontinued operation	**(1.2)**	225.8	**(1.2)**	225.8

(1) The 30 June 2012 balances have been adjusted for the change in accounting policy described in Note 1(aa).

(iii) *Details of disposals during the year*

	Investa Office Fund		**Prime Credit Property Trust**	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Cash consideration received or receivable	**0.2**	236.5	**0.2**	236.5
Carrying amount of net assets and liabilities[2]	**-**	228.8	**-**	228.8
Gain on disposal before income tax	**0.2**	7.7	**0.2**	7.7
Income tax benefit	**(0.6)**	19.2	**(0.6)**	19.2
Gain on disposal after income tax	**(0.4)**	26.9	**(0.4)**	26.9

(2) The 30 June 2012 balance includes minority share of assets and liabilities.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 6. Income tax expense

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
(a) Income tax expense/(benefit)				
Current tax	**3.0**	38.2	**1.1**	35.3
Deferred tax	**-**	(56.7)	**-**	(54.5)
	3.0	(18.5)	**1.1**	(19.2)
Income tax expense/(benefit) is attributable to:				
Profit from continuing operations	**2.4**	0.7	**0.5**	-
Profit/(loss) from discontinued operations	**0.6**	(19.2)	**0.6**	(19.2)
Total income tax expense/(benefit)	**3.0**	(18.5)	**1.1**	(19.2)

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
(b) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit from continuing operations before income tax expense	**161.7**	182.6	**97.6**	91.4
Loss from discontinued operations before income tax expense	**-**	(92.6)	**-**	(92.6)
	161.7	90.0	**97.6**	(1.2)
Tax at the Australian tax rate of 30% (2012: 30%)	**48.5**	27.0	**29.3**	(0.4)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:				
Australian income	**(51.0)**	(57.2)	**(27.3)**	(24.0)
Other non-taxable income	**6.5**	(1.0)	**-**	-
Transfer from reserves – non-taxable	**-**	39.3	**-**	39.3
Foreign income not subject to income tax	**(0.5)**	(8.9)	**(1.1)**	(14.8)
Difference between Australian and foreign tax rates	**(0.5)**	4.0	**0.2**	2.4
Previous unrecognised tax losses utilised	**-**	(21.7)	**-**	(21.7)
Income tax expense/(benefit)	**3.0**	(18.5)	**1.1**	(19.2)

Note 7. Cash and cash equivalents

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Current assets				
Cash at bank and on hand	**12.4**	18.2	**1.9**	6.6

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 8. Trade and other receivables

(a) Trade and other receivables

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Current				
Rental and other amounts due[1]	**1.8**	1.4	**1.4**	0.9
Allowance for impairment loss	**(0.3)**	(0.5)	**(0.2)**	(0.2)
Derivative receivables	**0.5**	-	**-**	-
Accrued income and prepayments	**5.6**	1.7	**5.4**	1.4
	7.6	2.6	**6.6**	2.1
Non-current				
Deposit for asset acquisition[2]	**9.4**	-	**-**	-
Loan to equity accounted investments[3]	**16.2**	-	**16.2**	-
Accrued income and prepayments	**-**	3.0	**-**	3.0
	25.6	3.0	**16.2**	3.0

(1) Rental and other amounts are receivable within 30 days.
(2) This deposit relates to the acquisition of 99 Walker St, North Sydney which was settled on 24 July 2013.
(3) This interest bearing loan is to 567 Collins St Trust, a related party to the Group.

(b) Impaired trade receivables

The provision for impairment in trade receivables primarily represents rental income debts which are past due and considered to be impaired. The individually impaired receivables mainly relates to tenants which are in unexpectedly difficult economic situations.

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Movements in the provision for impairment of receivables are as follows:				
Balance at the beginning of the year	**(0.5)**	(0.3)	**(0.2)**	(0.2)
Provision for impairment reversed / (recognised) during the year	**0.2**	(0.2)	**-**	-
Balance at the end of the year	**(0.3)**	(0.5)	**(0.2)**	(0.2)

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where agreements allow. Collateral is not normally obtained.

(d) Past due but not impaired

At 30 June 2013, trade receivables of the Group of $0.2 million (2012: $0.6 million) and trade receivables of Prime $0.1 million (2012: nil) were past due but not impaired. Those amounts which were past due but not impaired have been collected subsequent to reporting date or are expected to be collected without dispute or legal proceedings that would otherwise affect the recoverability of the amount.

(e) Ageing analysis

An ageing analysis of trade receivables is as follows:

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Current	**1.6**	0.8	**1.3**	0.9
0-30 days past due	**0.1**	0.1	**0.1**	-
31-60 days past due	**-**	0.1	**-**	-
60+ days past due	**0.1**	0.4	**-**	-
	1.8	1.4	**1.4**	0.9

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 8. Trade and other receivables (continued)

(f) Risk exposure

Due to the short−term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above. Refer to Note 21 for more information on the risk management policy of the Group.

Note 9. Financial assets at fair value through profit or loss

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Non-current financial assets at fair value through through profit or loss				
Dutch Office Fund (14.2%) (30 June 2012: 14.2%)	**257.3**	247.2	**-**	-
Movement in carrying amount				
Balance at the beginning of the year	**247.2**	301.4	**-**	-
Fair value loss	**(23.0)**	(28.9)	**-**	-
Effect of exchange rate movements	**33.1**	(25.3)	**-**	-
Balance at the end of the year	**257.3**	247.2	**-**	-

Changes in fair value of financial assets at fair value through profit or loss are recorded in profit or loss. 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. Refer to Note 21(d) for further details.

Note 10. Derivative financial instruments

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Current assets				
Forward foreign exchange contracts	**4.5**	4.9	**0.1**	1.0
Interest rate derivative contracts	**-**	0.1	**-**	-
	4.5	5.0	**0.1**	1.0
Non-current assets				
Forward foreign exchange contracts	**-**	4.2	**-**	-
Interest rate derivative contracts	**1.8**	0.2	**1.8**	-
	1.8	4.4	**1.8**	-
Current liabilities				
Interest rate derivative contracts	**-**	0.4	**-**	-
	-	0.4	**-**	-
Non-current liabilities				
Cross currency swap contracts	**4.9**	-	**4.9**	-
Interest rate derivative contracts	**8.2**	9.5	**-**	-
	13.1	9.5	**4.9**	-

Risk exposures and fair value measurements

Information about the Group's exposure to credit risk, foreign exchange and interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 21. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial assets mentioned above.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 11. Investment properties

		Investa Office Fund		Prime Credit Property Trust	
		30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
		$m	$m	**$m**	$m
(a)	**Investment properties at fair value**	**1,926.8**	1,770.7	**881.3**	770.4

(b) Details of investment properties

Non-current Armstrong Jones Office Fund	Type	Ownership	Acquisition date	Cost including all additions $m [1]	Independent valuation date	Independent valuation amount $m	Independent Valuer	Book value 30 June 2013 $m	Book value 30 June 2012 $m
10-20 Bond St Sydney NSW	Freehold	50%	Jun 89	289.4	Jun 13	183.8	Colliers	**183.8**	169.5
Hitachi Complex Brisbane Qld	Freehold	100%	Jul 98	124.6	Jun 13	175.5	Knight Frank	**175.5**	180.4
347 Kent St Sydney NSW	Freehold	100%	Jan 99	191.1	Jun 12	254.0	Colliers	**254.5**	254.0
16-18 Mort St Canberra ACT	Leasehold	100%	Mar 01	64.1	Jun 13	40.9	Savills	**40.9**	37.0
628 Bourke St Melbourne Vic	Freehold	100%	Oct 01	89.1	Jun 12	96.0	Savills	**105.8**	96.0
Wellington Central Perth WA	Freehold	100%	Sep 07	82.9	Jun 13	77.5	Savills	**77.5**	73.0
388 George St Sydney NSW	Freehold	50%	Oct 02	155.8	Jun 13	207.5	JLL	**207.5**	190.4
Total owned by the Fund				997.0		1,035.2		**1,045.5**	1,000.3

Non-current Prime Credit Property Trust	Type	Ownership	Acquisition date	Cost including all additions $m [1]	Independent valuation date	Independent valuation amount $m	Independent Valuer	Book value 30 June 2013 $m	Book value 30 June 2012 $m
383 La Trobe St Melbourne Vic	Freehold	100%	Feb 94	36.6	Dec 11	51.3	Savills	**52.0**	51.6
800 Toorak Rd Tooronga Vic	Freehold	50%	Jun 97	62.5	Jun 13	62.5	Colliers	**62.5**	61.5
Australian Government Centre Brisbane Qld	Freehold	100%	May 98	166.3	Jun 12	298.0	Knight Frank	**300.0**	298.0
105-151 Miller St North Sydney NSW	Freehold	100%	Dec 98	113.5	Jun 13	172.0	Knight Frank	**172.0**	154.8
151 Clarence St Sydney NSW	Freehold	100%	Nov 02	62.9	Dec 11	82.0	Savills	**81.6**	82.5
111 Pacific Hwy North Sydney NSW	Freehold	100%	May 04	112.4	Jun 12	122.0	Knight Frank	**123.7**	122.0
66 St Georges Tce Perth WA [2]	Freehold	100%	Aug 12	86.7	Jun 13	89.5	Knight Frank	**89.5**	-
Total owned by Prime				640.9		877.3		**881.3**	770.4
Total owned by Group				1,637.9		1,912.5		**1,926.8**	1,770.7

(1) Cost amounts comprise of historical acquisition costs and capital expenditure incurred to the year end.

(2) On 30 August 2012, the Group acquired the property located at 66 St Georges Terrace, Perth, Western Australia for a total consideration of $86.6 million (including stamp duty).

Details of the Group's and Prime's interest in investment properties held through its investments accounted for using the equity method are outlined in Note 12.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 11. Investment properties (continued)

(c) Movement in carrying amounts

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Carrying amount at beginning of the period	**1,770.7**	1,982.4	**770.4**	1,032.8
Exchange rate fluctuations	**-**	17.4	**-**	17.4
Acquisitions	**86.6**	-	**86.6**	-
Additions to existing investment properties	**47.6**	45.3	**20.5**	22.2
Disposals	**-**	(369.5)	**-**	(369.5)
Amortisation of tenant incentives and leasing fees	**(16.7)**	(14.7)	**(9.9)**	(10.8)
Straight-lining of lease revenue	**(0.8)**	(0.6)	**(0.3)**	(1.4)
Net change in fair value	**39.4**	110.4	**14.0**	79.7
Carrying amount at the end of the period	**1,926.8**	1,770.7	**881.3**	770.4

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

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Cost	**73.7**	66.5	**37.6**	41.1
Accumulated Amortisation	**(23.5)**	(18.6)	**(15.2)**	(16.1)
	50.2	47.9	**22.4**	25.0

(e) Amounts recognised in the Income Statements for investment property

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Rental income and other property income	**175.3**	175.4	**81.8**	86.0
Direct operating expenses from property that generate rental income	**(40.8)**	(45.6)	**(20.9)**	(26.2)
	134.5	129.8	**60.9**	59.8

The above amounts include amounts from discontinued operations in Note 5(d) and have been adjusted for the change in accounting policy described in Note 1(aa).

(f) Valuation basis

The basis of the valuation of investment properties is fair value, being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. Refer to the accounting policy in Note 1(n).

At reporting date, the key weighted average assumptions used by the Group in determining fair value were capitalisation rate, discount rate, occupancy and weighted average lease expiry which are outlined in Note 2(a).

(g) Leasing arrangements

The investment properties are leased to tenants under long term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Within one year	**196.8**	177.1	**98.0**	93.0
Later than one year but not greater than five years	**594.4**	518.9	**230.0**	221.3
Later than five years	**225.3**	175.7	**84.7**	40.4
	1,016.5	871.7	**412.7**	354.7

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 11. Investment properties (continued)

(h) Non-current assets pledged as security

At 30 June 2013 and 30 June 2012 there were no investment properties pledged as security by the Group.

(i) Contractual obligations

Refer to Note 19 for disclosure of any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements contracted but not provided at reporting date.

Note 12. Investments accounted for using the equity method

(a) Investments in associates and joint ventures

Investments in associates and joint ventures are accounted for in the Consolidated Financial Statements using the equity method of accounting, after initially being recognised at cost.

Name	Principal activity	Ownership interest		Investa Office Fund		Prime Credit Property Trust	
		30 June 2013	30 June 2012	**30 June 2013 $m**	30 June 2012 $m	**30 June 2013 $m**	30 June 2012 $m
Armstrong Jones Office Fund							
Bastion Tower I NV[1]	Real estate investment	**50%**	50%	**-**	31.0	**-**	-
IOF Finance Pty Ltd[2]	Financial Services	**50%**	50%	**-**	-	**-**	-
Prime Credit Property Trust							
242 Exhibition Street Trust[3]	Real estate investment	**50%**	50%	**234.3**	217.6	**234.3**	217.6
Phillip Street Trust[4]	Real estate investment	**25%**	25%	**96.6**	96.8	**96.6**	96.8
Macquarie Street Trust[4]	Real estate investment	**25%**	25%	**79.7**	79.9	**79.7**	79.9
567 Collins Street Trust[5]	Real estate investment	**50%**	-	**17.0**	-	**17.0**	-
IOF Finance Pty Ltd[2]	Financial Services	**50%**	50%	**-**	-	**-**	-
Total				**427.6**	425.3	**427.6**	394.3

(1) This investment was reclassified to an asset held for sale during the year ended 30 June 2013.

(2) This investment is an associate of both Prime Credit Property Trust and Armstrong Jones Office Fund and is consolidated in the Group's Financial Report.

(3) In April 2012 Prime Credit Property Trust purchased a 50% interest in the investment property located at 242 Exhibition Street, Melbourne through this Trust.

(4) In April 2012 Prime Credit Property Trust purchased a 25% interest in the investment property located at 126 Phillip Street, Sydney through these two Trusts.

(5) In March 2013 Prime Credit Property Trust entered into an agreement to purchase a 50% interest in land and a development management agreement to construct a premium grade office building located at 567 Collins St, Melbourne through this Trust.

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013 $m	30 June 2012 $m	**30 June 2013 $m**	30 June 2012 $m
(b) Movements in carrying amounts				
Balance at the beginning of the year	**425.3**	73.8	**394.3**	25.2
Acquisitions and contributions to equity accounted investments	**18.8**	406.1	**18.8**	406.1
Fair value loss of acquisition costs on equity accounted investments	**-**	(12.2)	**-**	(12.2)
Disposals	**-**	(30.4)	**-**	(30.4)
Share of profits after income tax	**40.9**	21.1	**40.8**	12.7
Distributions received	**(26.3)**	(7.6)	**(26.3)**	(7.6)
Transfer to assets classified as held for sale	**(35.5)**	(21.2)	**-**	-
Effect of exchange rate movements	**4.4**	(4.3)	**-**	0.5
Balance at the end of the year	**427.6**	425.3	**427.6**	394.3

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

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

(c) Summarised financial information of investments accounted for using the equity method

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Share of assets and liabilities				
Total assets	**443.8**	481.3	**443.8**	397.1
Total liabilities	**(16.2)**	(56.0)	**(16.2)**	(2.8)
Net assets	**427.6**	425.3	**427.6**	394.3

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Share of results				
Revenue	**39.9**	30.3	**33.0**	21.0
Gain/(loss) on change in fair value of:				
Investment properties	**12.4**	19.1	**14.6**	12.0
Derivative financial instruments	**0.8**	(4.0)	**-**	(5.8)
Loss on disposal of investment	**-**	(0.9)	**-**	-
Expenses	**(11.2)**	(23.4)	**(6.8)**	(14.5)
Profit before income tax	**41.9**	21.1	**40.8**	12.7
Income tax expense	**-**	-	**-**	-
Profit for the year	**41.9**	21.1	**40.8**	12.7
Profit for the year disclosed as:				
Profit from discontinued operations	**-**	7.3	**-**	7.3
Profit from continuing operations	**41.9**	13.8	**40.8**	5.4
Total profit for the year	**41.9**	21.1	**40.8**	12.7
Profit for the year	**40.9**	21.1	**40.8**	12.7
Profit for the year – assets held for sale	**1.0**	-	**-**	-
	41.9	21.1	**40.8**	12.7

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

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

(d) Property details of investments accounted for using the equity method

The Group has interests in properties through its investments accounted for using the equity method. The carrying value of the investments accounted for using the equity method at reporting date is supported by the underlying property values as disclosed below:

Armstrong Jones Office Fund Investment in associates – property details	Type	Ownership	Acquisition date	Cost including all additions $m [1] [2]	Independent valuation date	Independent valuation amount $m [2]	Independent valuer	Book value 30 June 2013 $m [2]	Book value 30 June 2012 $m [2]
Bastion Tower I NV 1 Avenue des Artes Brussels Belgium	Freehold	50%	Nov-07	103.4	Jun-13	91.0	JLL	**91.0**	80.6
Total owned by the Fund				103.4		91.0		**91.0**	80.6

Prime Credit Property Trust Investment in associates – property details	Type	Ownership	Acquisition date	Cost including all additions $m [1] [2]	Independent valuation date	Independent valuation amount $m [2]	Independent valuer	Book value 30 June 2013 $m [2]	Book value 30 June 2012 $m [2]
242 Exhibition Street Trust 242 Exhibition St Melbourne Vic	Freehold	50%	Apr-12	230.2	May-13	233.8	Knight Frank	**233.8**	217.5
Phillip Street Trust and Macquarie Street Trust Deutsche Bank Place 126 Phillip St Sydney NSW	Freehold	25%	Apr-12	176.8	Feb-12	176.3	CBRE	**176.2**	176.3
567 Collins Street Trust 567 Collins St [3] Melbourne Vic	Property under Construction	50%	Mar-13	33.0	-	-	-	**31.3**	**-**
Total owned by Prime				440.0		410.1		**441.3**	393.8
Total owned by Group				543.4		501.1		**532.3**	474.4

(1) Cost amounts comprise of the Group's share of historical acquisition cost and capital expenditure incurred to the period end.
(2) Amounts have been translated at the prevailing period end foreign exchange rate.
(3) The property at 567 Collins St, Melbourne Vic is an investment property under construction with an anticipated practical completion date of September 2015. The fair valuation methodology for this type of investment property is outlined in Note 1(n).

(e) Contingent liabilities of investments accounted using the equity method

The Group has no share of contingent liabilities in investments accounted using the equity method.

Note 13. Trade and other payables

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Current				
Trade payables	**10.4**	10.3	**5.2**	**4.4**
Loan from stapled entity [1]	**-**	-	**-**	**2.9**
Payables to equity accounted investments [2]	**-**	3.2	**-**	**-**
Other payables	**14.3**	11.4	**8.0**	**6.6**
	24.7	24.9	**13.2**	**13.9**

(1) This loan is from Armstrong Jones Office Fund which is in the Group. This loan was interest bearing.
(2) This loan to Bastion Tower I NV, Belgium has been transferred to liabilities directly associated with assets classed as held for sale. See Note 5(c).

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 14. Borrowings

		Investa Office Fund		Prime Credit Property Trust	
		30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
		$m	$m	**$m**	$m
Non-current liabilities					
Bank debt (AUD$) – unsecured	**(a)**	**275.0**	268.0	**177.0**	68.0
Bank debt (€) – unsecured		**217.9**	191.1	**-**	-
Medium Term Note (AUD$) – unsecured	**(d)**	**125.0**	-	**-**	-
		617.9	459.1	**177.0**	68.0
Capitalised commitments and upfront fees		**(1.4)**	(1.3)	**(0.2)**	(0.7)
Total		**616.5**	457.8	**176.8**	67.3

(a) New bank debt

On the 4 April 2013, the Group entered into new bank facility agreements. The new bank facilities provide the Group the ability to draw an additional $150.0 million on or after 27 June 2013 with a maturity date of 5 August 2016. The terms and conditions of the new syndicate bank debt are consistent with the Group's pre-existing syndicate facility.

(b) Existing syndicated bank debt

During the year ended 30 June 2013, the Group repaid and cancelled Facility B on its existing syndicate debt facility.

(c) U.S. Private Placement

On the 3 June 2013, the Responsible Entity on behalf of Prime entered into a 12 year U.S. Private Placement ("USPP") through the issue of US$125.0 million with a coupon rate of 3.98% payable on a semi-annual basis.

The USPP settled on the 12 August 2013 with the funds received used to repay existing syndicated bank debt. This settlement is further outlined as a subsequent event in Note 27.

(d) Medium Term Note

During the year ended 30 June 2013, the Group issued a five year Medium Term Note ("MTN") for A$125.0 million with a 5.4% coupon rate paid semi-annually, which will mature on 7 November 2017. Proceeds were used to repay existing syndicated bank debt.

(e) Financing arrangements

At 30 June 2013 the Group had unsecured bank facilities and an unsecured medium term note debt facility each with specific maturities and limits as detailed below:

	Investa Office Fund						
	30 June 2013			30 June 2012			
	Limit $m	**Drawn [(2)] $m**	**Undrawn $m**	Limit $m	Drawn [(2)] $m	Undrawn $m	Maturity Date
Syndicated bank debt - unsecured							
Facility A (multi-currency)	**353.1**	**275.0**	**78.1**	353.1	140.0	213.1	Aug 2014
Facility B (AUD$)	**-**	**-**	**-**	150.0	128.0	22.0	Apr 2015
Facility C (€) [(1)]	**211.4**	**211.4**	**-**	185.4	185.4	-	Aug 2014
Facility D (€) [(1)]	**12.7**	**6.5**	**6.2**	11.1	5.7	5.4	Aug 2014
Bilateral facilities (multi-currency)	**150.0**	**-**	**150.0**	-	-	-	Aug 2016
	727.2	**492.9**	**234.3**	699.6	459.1	240.5	
Medium Term Note (AUD$) - unsecured	**125.0**	**125.0**	**-**	**-**	-	-	Nov 2017
Total	**852.2**	**617.9**	**234.3**	699.6	459.1	240.5	

(1) Tranche C and D amounts have been translated at the prevailing period end foreign exchange rate.
(2) At 30 June 2013 $177.0 million and $nil (30 June 2012: $nil and $68.0 million) were drawn by Prime under tranche A and B respectively.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 14. Borrowings (continued)

(e) Financing arrangements (continued)

The unsecured bank facilities and the MTN facility have a number of market standard terms and conditions 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 Trusts complied with the bank debt and MTN facility financial ratios during the year and are expected to remain compliant with the loan covenants.

(f) Risk exposure and fair value disclosures

Refer to Note 21 for further details on the Group's exposure to risk arising from borrowings, the maturity profile and the fair value of borrowings.

Note 15. Non-current deferred tax liabilities

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Total deferred tax liabilities attributable to investment properties	**-**	0.2	**-**	-
Deferred tax benefit recognised in the Income Statement in respect of deferred tax liabilities is attributable to temporary differences from investments	**-**	(56.7)	**-**	(54.5)

Note 16. Contributed equity

		Investa Office Fund		Prime Credit Property Trust	
		30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
		$m	$m	**$m**	$m
(a) Carrying amounts					
Balance at the beginning of year		**2,142.3**	2,308.2	**1,193.8**	1,282.9
Purchased during the year:					
Unit buyback	**(c)**	**-**	(165.9)	**-**	(89.1)
Balance at the end of the year		**2,142.3**	2,142.3	**1,193.8**	1,193.8
The balance at the end of the year is attributable to the unitholders of:					
Armstrong Jones Office Fund		**948.5**	948.5	**-**	-
Prime Credit Property Trust		**1,193.8**	1,193.8	**1,193.8**	1,193.8
		2,142.3	2,142.3	**1,193.8**	1,193.8

(b) Number of issued units

		30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
		millions	millions	**millions**	millions
Balance at the beginning of the year		**614.1**	2,729.1	**614.1**	2,729.1
Unit buyback	**(c)**	**-**	(272.9)	**-**	(272.9)
Unit consolidation	**(d)**	**-**	(1,842.1)	**-**	(1,842.1)
Balance at the end of the year		**614.1**	614.1	**614.1**	614.1

(c) Unit buyback

During the year ended 30 June 2012, the Group completed a buyback for 10% of its issued units. This resulted in the buyback of 272.9 million (pre-unit consolidation) units at an average price of $0.61, for a total payment of $165.9 million. $89.1 million of this amount has been allocated to Prime based on Prime's share of the Group unitholders' interest as at 30 June 2011. The number of units on issue after the buyback was 2,456.2 million (pre-unit consolidation). There is no current on-market buyback.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 16. Contributed equity (continued)

(d) Unit consolidation

In April 2012, the Group undertook a consolidation of its units on the basis of one new unit for every four pre-consolidation units. Where the consolidation of a holding resulted in a fractional unit, that fraction was rounded up to the next whole unit. This resulted in the number of units on issue moving from 2,456.2 million to 614.1 million with a corresponding theoretical increase in the unit price by approximately 4 times the pre-consolidation price. This consolidation did not materially change or decrease the underlying value of a unitholder's aggregate unitholding in the Group.

(e) 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.

(f) Capital risk management

Refer to Note 20 for the Capital Management strategy for the Group.

Note 17. Reserves

		Investa Office Fund		Prime Credit Property Trust	
		30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
		$m	$m	**$m**	$m
Foreign currency translation					
Balance at the beginning of year		**(115.4)**	(222.5)	**-**	(138.5)
Translation differences arising during the year		**10.1**	(24.0)	**-**	7.4
Transfer to the profit and loss (discontinued operations)	**(a)**	**-**	131.1	**-**	131.1
Balance at the end of the year		**(105.3)**	(115.4)	**-**	-
Total reserves at the end of the year		**(105.3)**	(115.4)	**-**	-
The balance at the end of the year is attributable to the unitholders of:					
Armstrong Jones Office Fund		**(105.3)**	(115.4)	**-**	-
Prime Credit Property Trust		**-**	-	**-**	-
		(105.3)	(115.4)	**-**	-

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 entities 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 disposed of or sold. During the year ended 30 June 2012, the US operating investments were disposed and the cumulative balance that pertains to this investment was reclassified to the income statement through discontinued operations. Refer to Note 5.

(ii) *Net investment hedges*
Hedges of net investments in foreign operations are accounted for as described in Note 1(m). Gains and losses accumulated in equity are reclassified to profit and loss when the foreign operation is disposed of or sold. During the year ended 30 June 2012, the US operating investments were disposed and the cumulative net investment hedge reserve balance that pertains to this investment was reclassified to the income statement through discontinued operations. Refer to Note 5.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 18. Accumulated losses

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Balance at the beginning of the year	**(100.1)**	(92.5)	**(120.1)**	(74.3)
Net profit for the year	**158.7**	101.9	**96.5**	11.4
Distributions paid or payable	**(109.0)**	(109.5)	**(59.9)**	(57.2)
Balance at the end of the year	**(50.4)**	(100.1)	**(83.5)**	(120.1)
The balance at the end of the year attributable to the unitholders of:				
Armstrong Jones Office Fund	**33.1**	20.0	**-**	-
Prime Credit Property Trust	**(83.5)**	(120.1)	**(83.5)**	(120.1)
	(50.4)	(100.1)	**(83.5)**	(120.1)

Note 19. Commitments

(a) Investment property acquisition

On 28 June 2013, the Group exchanged contracts to acquire a 100% interest in 99 Walker Street, North Sydney, NSW for $124.9 million and paid a deposit of $9.4 million. At 30 June 2013 the Group had a commitment to pay a balance of the acquisition price of $115.5 million plus settlement adjustments and transaction costs.

(b) Capital commitments

Capital expenditure contracted for at the reporting date but not recognised as liabilities is as follows:

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Investment properties	**47.6**	30.6	**9.1**	18.0
Investment property under construction(1)	**199.7**	-	**199.7**	-

(1) Relates to the Group's share of committed construction costs of 567 Collins Street, Melbourne, an investment property which is held by an equity accounted investment.

Note 20. Capital management

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

In determining the optimal capital structure, the Group takes into account a number of factors including the capital needs of its portfolio; the relative cost of debt versus equity; the execution risk of raising equity or debt; 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; the potential for acceleration prior to maturity; and the market in general.

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 reviews 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 initial 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, associates and financial assets at fair value through profit or loss 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%. The actual Leverage Ratio may vary from this range in the short term from time to time.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 20. Capital management (continued)

At 30 June 2013, the Leverage Ratio was 29.9% (30 June 2012: 26.0%), calculated as follows:

Look-through ratio of total liabilities to total assets

	Investa Office Fund	
	30 June 2013	30 June 2012
	$m	$m
Total consolidated liabilities	**737.2**	575.8
Plus share of liabilities of:		
Financial asset at fair value through profit or loss	**75.9**	67.9
Equity accounted investments	**16.2**	56.0
Assets classified as held for sale	**60.0**	-
Less elimination of receivables from and payables to equity accounted investments	**(43.4)**	(23.7)
Total look-through liabilities	**845.9**	676.0
Total consolidated assets	**2,723.8**	2,502.6
Less:		
Financial asset at fair value through profit or loss	**(257.3)**	(247.2)
Equity accounted investments	**(427.6)**	(425.3)
Equity accounted investments classified as held for sale	**(59.4)**	(21.2)
Plus share of assets of:		
Financial asset at fair value through profit or loss	**333.2**	315.1
Equity accounted investments	**443.8**	481.3
Equity accounted investments classified as held for sale	**119.4**	21.2
Less elimination of receivables from and payables to equity accounted investments	**(43.4)**	(23.7)
Total look-through assets	**2,832.5**	2,602.8
Leverage ratio	**29.9%**	26.0%

The leveraged ratio is also used to determine compliance with the Group's bank debt facilities and medium term note debt facility as at 30 June 2013. Refer to Note 14 for details.

In addition, the Group monitors the ratio of debt to total assets ("Gearing Ratio"), calculated on a look-through basis. At 30 June 2013, the gearing ratio was 26.3% (30 June 2012: 21.9%), calculated as follows:

	Investa Office Fund	
	30 June 2013	30 June 2012
	$m	$m
Total consolidated borrowings	**616.5**	457.8
Plus share of debt of:		
Equity accounted investments	**-**	51.7
Financial asset at fair value through profit or loss	**69.4**	61.1
Assets classified as held for sale	**58.8**	-
Net look-through debt	**744.7**	570.6
Total consolidated assets	**2,723.8**	2,502.6
Less:		
Financial asset at fair value through profit or loss	**(257.3)**	(247.2)
Equity accounted investments	**(427.6)**	(425.3)
Assets classified as held for sale	**(59.4)**	(21.2)
Plus share of assets of:		
Financial asset at fair value through profit or loss	**333.2**	315.1
Equity accounted investments	**443.8**	481.3
Equity accounted investments classified as held for sale	**119.4**	21.2
Less:		
Elimination of receivables from and payables to equity accounted investments	**(43.4)**	(23.7)
Total look-through assets (adjusted for minority interest)	**2,832.5**	2,602.8
Gearing ratio	**26.3%**	21.9%

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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management

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 Group's activities expose it to a variety of financial risks:
(a) Market risk;
(b) Credit risk; and
(c) Liquidity risk

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as interest rate swaps, interest rate caps and foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes and not as trading or other speculative instruments. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risk, foreign exchange and other price risks and ageing analysis for credit risk.

(a) Market risk

Market risk comprises of mainly three types of risk. They are:

(i) Interest rate risk;
(ii) Foreign exchange risk; and
(iii) Price risk

(i) *Interest rate risk*
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The primary objective of interest risk management is to manage the potential for financial loss measured in terms of impact on earnings arising from unfavourable movements in interest rates.

The Group's main interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group's preference is to protect itself from large and rapid movements in financial markets, to achieve a less volatile exposure to movements in interest rates through prudent risk management techniques. The Group's policy is to hedge the Group's forecast borrowings using interest rate derivatives based on the following hedge ratio limit ranges.

	Hedge ratio limit range
1 – 3 years	30% - 80%
4 – 5 years	20% - 80%
5+ years	0% - 75%

The Group analyses its interest rate exposure on a regular basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and hedging. Based on these scenarios, the Group calculates the impact on profit or loss of a defined interest rate shift. The scenarios are run only for liabilities that represent the major interest-bearing positions. The simulation is done on a regular basis to verify that the maximum loss potential is within limit established by the Responsible Entity.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using:
- floating-to-fixed interest rate swaps (or swaptions);
- interest rate caps; and
- cross currency interest rate swaps.

Interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates or from fixed to floating. Generally, the Group raises borrowings some of which are at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (mainly quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

Interest rate caps are derivatives that provide the Group with an upper limit at which the Group will no longer be exposed to increases to floating interest rates.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Cross currency swaps minimise both interest rate and exchange rate risk exposure on foreign borrowings. As a result of issuing USPP medium term notes as outlined in Note 27 the Group and Prime have entered into a cross currency swap which covers 100% of the USPP principals outstanding and are timed to expire when the private placement matures. This swap also swaps the obligation to pay fixed interest to floating interest.

The Group's interest rate risk from borrowings is summarised in the table below.

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:

Investa Office Fund

30 June 2013	Weighted average interest rate (%pa)	Floating interest rate $m	Fixed interest rate Less than 1 year $m	1 - 5 years $m	More than 5 years $m	Total $m
Financial assets						
Cash and cash equivalents	**0.7%**	**12.4**	**-**	**-**	**-**	**12.4**
Cash classified as assets held for sale	**-**	**0.7**	**-**	**-**	**-**	**0.7**
Loans to equity accounted investments	**6.4%**	**-**	**-**	**16.2**	**-**	**16.2**
Total financial assets		**13.1**	**-**	**16.2**	**-**	**29.3**
Financial liabilities						
Payables to equity accounted investments [1]	**3.9%**	**2.7**	**24.5**	**-**	**-**	**27.2**
Borrowings:						
Denominated in AUD$ - floating	**4.4%**	**275.0**	**-**	**-**	**-**	**275.0**
Denominated in AUD$ - fixed	**5.4%**	**-**	**-**	**125.0**	**-**	**125.0**
Denominated in € - floating	**1.7%**	**217.9**	**-**	**-**	**-**	**217.9**
Total financial liabilities		**495.6**	**24.5**	**125.0**	**-**	**645.1**
Total net financial liabilities		**(482.5)**	**(24.5)**	**(108.8)**	**-**	**(615.8)**
Interest rate derivatives (notional principal) at reporting date						
Denominated in AUD$ - fixed	**3.5%**	**210.0**	**-**	**-**	**-**	**210.0**
Denominated in AUD$ - floating[2]	**5.4%**	**-**	**-**	**125.0**	**-**	**125.0**
Denominated in € - fixed	**2.0%**	**148.0**	**-**	**-**	**-**	**148.0**
Net exposure at reporting date		**(124.5)**	**(24.5)**	**16.2**	**-**	**(132.8)**

(1) The $24.5 million payable to equity accounted investments relates to the Neuilly Victor Hugo SCI investment, which is held for sale. Settlement of this balance will be completed prior to the liquidation of the Neuilly Victor Hugo SCI investment. In the year ending 30 June 2013, this amount became interest bearing at a rate of 3.99%. The $2.7 million payable relates to the Bastion Tower investment, which was reclassified as an asset held for sale during the year ended 30 June 2013.

(2) This floating interest rate derivative swaps the fixed component on the MTN issued during the year ended 30 June 2013.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Interest rate risk exposure (continued)

The Group's weighted average fixed and floating rate derivatives (notional principal) held at reporting date can be summarised as follows:

	June 2014 $m	June 2015 $m	June 2016 $m	June 2017 $m	June 2018 $m	June 2019 $m
Denominated in AUD$:						
Interest rate swaps and caps (fixed)	**300.7**	**344.5**	**214.7**	**100.1**	**75.6**	**-**
Average fixed rate	**3.2%**	**3.1%**	**4.0%**	**4.1%**	**4.1%**	**-**
Interest rate swaps (floating)	**238.7**	**253.9**	**253.9**	**253.9**	**173.4**	**128.9**
Denominated in €:						
Interest rate swaps and caps (fixed)	**148.0**	**118.8**	**63.4**	**9.6**	**-**	**-**
Average fixed rate	**2.0%**	**2.0%**	**2.0%**	**2.0%**	**-**	**-**

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

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:

Investa Office Fund

30 June 2012	Weighted average interest rate	Floating interest rate	Fixed interest rate Less than 1 year	Fixed interest rate 1 - 5 years	Fixed interest rate More than 5 years	
	(%pa)	$m	$m	$m	$m	$m
Financial assets						
Cash and cash equivalents	2.2%	18.2	-	-	-	18.2
Cash classified as assets held for sale	0.3%	4.8	-	-	-	4.8
Total financial assets		23.0	-	-	-	23.0
Financial liabilities						
Borrowings:						
Denominated in AUD$ - floating	4.9%	268.0	-	-	-	268.0
Denominated in € - floating	2.2%	191.1	-	-	-	191.1
Total financial liabilities		459.1	-	-	-	459.1
Total net financial liabilities		(436.1)	-	-	-	(436.1)
Interest rate derivatives (notional principal) at reporting date						
Denominated in AUD$ - fixed	4.2%	210.0	-	-	-	210.0
Denominated in € - fixed	2.9%	105.0	-	-	-	105.0
Net exposure at reporting date		(121.1)	-	-	-	(121.1)

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Interest rate risk exposure (continued)

The Group's weighted average fixed rate derivatives (notional principal) held at the end of the previous financial year can be summarised as follows:

	June 2013 $m	June 2014 $m	June 2015 $m	June 2016 $m	June 2017 $m	June 2018 $m
Denominated in AUD$:						
Interest rate swaps and caps (fixed)	210.0	178.0	85.0	100.0	100.0	75.0
Average fixed rate	4.2%	4.2%	4.3%	4.1%	4.1%	4.1%
Denominated in €:						
Interest rate swaps and caps (fixed)	173.0	154.4	98.9	55.6	4.6	-
Average fixed rate	2.6%	2.3%	2.0%	2.0%	2.0%	-

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

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

Prime Credit Property Trust

30 June 2013	**Weighted average interest rate (%pa)**	**Floating interest rate $m**	**Fixed interest rate** Less than 1 year $m	**1 - 5 years $m**	**More than 5 years $m**	**Total $m**
Financial assets						
Cash and cash equivalents	**0.2%**	**1.9**	**-**	**-**	**-**	**1.9**
Cash classified as assets held for sale	**-**	**0.7**	**-**	**-**	**-**	**0.7**
Loans to equity accounted investments	**6.4%**	**-**	**-**	**16.2**	**-**	**16.2**
Total financial assets		**2.6**	**-**	**16.2**	**-**	**18.8**
Financial liabilities						
Borrowings:						
Denominated in AUD$ - floating	**4.4%**	**177.0**	-	-	-	**177.0**
Total financial liabilities		**177.0**	-	-	-	**177.0**
Total net financial (liabilities) / assets		**(174.4)**	**-**	**16.2**	**-**	**(158.2)**
Interest rate derivatives (notional principal) at reporting date		**-**	**-**	**-**	**-**	**-**
Net exposure at reporting date		**(174.4)**	**-**	**16.2**	**-**	**(158.2)**

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Interest rate risk exposure (continued)

Prime's weighted average fixed and floating rate derivatives (notional principal) held at reporting date can be summarised as follows:

	June 2014 $m	June 2015 $m	June 2016 $m	June 2017 $m	June 2018 $m	June 2019 $m
Denominated in AUD$:						
Interest rate swaps and caps (fixed)	**104.7**	**170.1**	**-**	**-**	**-**	**-**
Average fixed rate	**2.4%**	**2.3%**	**-**	**-**	**-**	**-**
Interest rate swaps (floating)	**113.7**	**128.9**	**128.9**	**128.9**	**128.9**	**128.9**

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

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:

Prime Credit Property Trust

30 June 2012	Weighted average interest rate (%pa)	Floating interest rate $m	Fixed interest rate: Less than 1 year $m	Fixed interest rate: 1 - 5 years $m	Fixed interest rate: More than 5 years $m	Total $m
Financial assets						
Cash and cash equivalents	2.5%	6.6	-	-	-	6.6
Cash classified as assets held for sale	0.3%	4.8	-	-	-	4.8
Total financial assets		11.4	-	-	-	11.4
Financial liabilities						
Loan from stapled entity	4.6%	2.9	-	-	-	2.9
Borrowings:						
Denominated in AUD$ - floating	4.9%	68.0	-	-	-	68.0
Total financial liabilities		70.9	-	-	-	70.9
Total net financial liabilities		(59.5)	-	-	-	(59.5)
Interest rate derivatives (notional principal) at reporting date		-	-	-	-	-
Net exposure at reporting date		(59.5)	-	-	-	(59.5)

Prime did not hold any fixed or floating rate derivatives as at 30 June 2012 and therefore the weighted average fixed and floating rate derivatives (notional principal) held at 30 June 2012 has not been outlined.

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

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(a) Market risk (continued)

(i) Interest rate risk (continued)

Interest rate sensitivity analysis

Sensitivity on net interest expense
The impact on interest expense of a 100 basis point increase or decrease in market interest rates at reporting date is shown below. This analysis is based on the interest rate risk exposure in existence at reporting date. Interest expense is sensitive to movements in market interest rates on floating rate debt, not hedged by derivatives. Aside from the profit or loss impact on equity resulting from a 100 basis point increase or decrease in market interest rates, the 100 basis point increase or decrease in market interest rates at the reporting date has no other impact on equity.

Sensitivity on changes in fair value of interest rate derivatives
The impact of changes in the fair value of interest rate derivatives for a 100 basis point increase or decrease in market interest rates at reporting date is shown below. The sensitivity on the fair value arises from the impact that changes in market rates will have on the mark-to-market valuation of the interest rate derivatives. The fair value of interest rate derivatives is calculated as the present value of estimated future cash flows for each derivative, based on the forward market interest rate curve. Gains or losses arising from changes in the fair value are reflected in the Consolidated Income Statements. Aside from the profit or loss impact on equity resulting from a 100 basis point increase or decrease in market interest rates, the 100 basis point increase or decrease in market interest rates at the reporting date has no other impact on equity.

A 100 basis points sensitivity is used for consistency of reporting interest rate risk between the current and prior financial years. The Group considers this reasonable given the current level of both short term and long term interest rates.

Investa Office Fund	**Sensitivity on net interest expense**		**Sensitivity on change in fair value of interest rate derivatives**	
	+ 100bps	**- 100bps**	**+ 100bps**	**- 100bps**
30 June 2013	**$m**	**$m**	**$m**	**$m**
Variable interest rates denominated in:				
Australian dollars	**(0.6)**	**1.3**	**7.6**	**(8.8)**
Euros	**(0.9)**	**1.5**	**2.3**	**(3.3)**
Total	**(1.5)**	**2.8**	**9.9**	**(12.1)**
30 June 2012				
Variable interest rates denominated in:				
Australian dollars	(0.5)	1.2	4.9	(6.0)
Euros	(1.3)	1.3	3.4	(5.5)
United States dollars	0.1	(0.1)	-	-
Total	(1.7)	2.4	8.3	(11.5)

Prime Credit Property Trust	**Sensitivity on interest expense**		**Sensitivity on change in fair value of interest rate derivatives**	
	+ 100bps	**- 100bps**	**+ 100bps**	**- 100bps**
30 June 2013	**$m**	**$m**	**$m**	**$m**
Variable interest rates denominated in:				
Australian dollars	**(1.8)**	**1.8**	**2.4**	**(2.6)**
Total	**(1.8)**	**1.8**	**2.4**	**(2.6)**
30 June 2012				
Variable interest rates denominated in:				
Australian dollars	(0.7)	0.7	-	-
United States dollars	0.1	(0.1)	-	-
Total	(0.6)	0.6	-	-

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(a) Market risk (continued)

(ii) 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 investments, and may result in lower Australian dollar equivalent proceeds when an offshore investment is sold. In addition, foreign exchange rate movements may reduce the Australian dollar equivalent of the earnings from the offshore investments 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 investments by partly or wholly funding their assets using borrowings denominated in the particular offshore currency. The financial risk management policy sets out a maximum target ratio for the Group of foreign currency denominated liabilities to foreign currency denominated assets.

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 offshore investments 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 investments is partly mitigated by the foreign denominated interest expense of its foreign denominated borrowings and any foreign exchange derivative hedges. The Group aims to reduce any residual foreign exchange rate exposure by using forward exchange contracts. As a result of the Group exiting offshore markets, the Group's financial risk management policy has been updated to specify that no new foreign exchange hedging is to be undertaken with exception of case-by-case approval by the Responsible Entity's Board of Directors.

As outlined in Note 14 and Note 27, the Group arranged a US$125.0 million USPP on 3 June 2013, which settled 12 August 2013. To mitigate the exposure of foreign exchange rate movements relating to the AUD/USD exchange rate, the Group has entered into a cross currency swap which covers 100% of the USPP principal outstanding and is timed to expire when the USPP matures.

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.

The Group's exposure to foreign currency risk denominated in Australian dollars at the rate prevailing at the end of the reporting period was as follows:

Investa Office Fund	**Net foreign currency asset/(liability)**			
	Euros		**United States dollars**	
	30 June 2013	30 June 2012	**30 June 2013**	30 June 2012
	$m	$m	**$m**	$m
Cash	**7.8**	6.5	**1.8**	2.2
Trade and other receivables	**0.8**	0.1	**3.3**	4.2
Assets classified as held for sale	**59.4**	21.2	**0.8**	5.0
Financial asset at fair value through profit or loss	**257.3**	247.2	**-**	-
Investments accounted using equity method	**-**	31.0	**-**	-
Derivative financial instruments	**4.4**	8.1	**0.1**	1.0
Total assets	**329.7**	314.1	**6.0**	12.4
Trade and other payables	**5.3**	4.7	**-**	-
Borrowings	**217.9**	191.1	**-**	-
Derivative financial instruments	**3.8**	5.8	**-**	-
Liabilities classified as held for sale	**27.2**	20.5	**0.4**	2.9
Total liabilities	**254.2**	222.1	**0.4**	2.9
Net assets	**75.5**	92.0	**5.6**	9.5

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Foreign exchange sensitivity analysis

The impact on profit after tax and equity 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 reporting date.

A 10% sensitivity is used for consistency of reporting foreign exchange risk between the current and prior financial years. The Group considers this reasonable given historical movements of foreign exchange rates.

Investa Office Fund	**30 June 2013**				30 June 2012			
	+10%		**-10%**		+10%		-10%	
	Profit	**Equity**	**Profit**	**Equity**	Profit	Equity	Profit	Equity
	$m	**$m**	**$m**	**$m**	$m	$m	$m	$m
Foreign exchange risk exposures denominated in:								
Euros	**(1.1)**	**(8.2)**	**1.1**	**8.2**	1.5	(6.9)	(1.5)	6.9
United States dollars	**0.6**	**(0.6)**	**(0.6)**	**0.6**	(0.5)	(0.5)	0.4	0.4
	(0.5)	**(8.8)**	**0.5**	**8.8**	1.0	(7.4)	(1.1)	7.3

Prime Credit Property Trust	**30 June 2013**				30 June 2012			
	+10%		**-10%**		+10%		-10%	
	Profit	**Equity**	**Profit**	**Equity**	Profit	Equity	Profit	Equity
	$m	**$m**	**$m**	**$m**	$m	$m	$m	$m
Foreign exchange risk exposures denominated in:								
United States dollars	**0.6**	**(0.6)**	**(0.6)**	**0.6**	(0.5)	(0.5)	0.4	0.4
	0.6	**(0.6)**	**(0.6)**	**0.6**	(0.5)	(0.5)	0.4	0.4

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

Foreign exchange derivatives held

The following tables detail the forward exchange contracts, options and foreign exchange swaps (including cross currency swaps) outstanding at reporting date. These have been entered into to mitigate the effect of foreign exchange movements on the Financial Statements.

At reporting 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 2013 was $3.7 million (Prime Group $0.9 million gain) (30 June 2012: $2.3 million loss; Prime Group $1.2 million loss).

Forward foreign exchange contracts in Australian and United States dollars were:

Maturing	**Weighted average exchange rate**		**Notional amount**			
			30 June 2013		30 June 2012	
	2013	2012	**AUD$ m**	**US$ m**	AUD$ m	US$ m
			Investa Office Fund			
Less than 1 year(1)	**0.7945**	0.7995	**0.4**	**0.3**	5.0	4.0
Greater than 5 years(2)	**0.9698**	-	**128.9**	**125.0**	-	-
			129.3	**125.3**	5.0	4.0
			Prime Credit Property Trust			
Less than 1 year(1)	**0.7945**	0.7995	**0.4**	**0.3**	5.0	4.0
Greater than 5 years(2)	**0.9698**	-	**128.9**	**125.0**	-	-
			129.3	**125.3**	5.0	4.0

(1) Receive Australian dollars, pay United States dollars
(2) Pay Australian dollars, receive United States dollars

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign exchange risk (continued)

Forward foreign exchange contracts in Australian dollars and Euros were:

Maturing	Weighted average exchange rate 2013	Weighted average exchange rate 2012	Notional amount 30 June 2013 AUD$ m	Notional amount 30 June 2013 € m	Notional amount 30 June 2012 AUD$ m	Notional amount 30 June 2012 € m
			Investa Office Fund			
Less than 1 year[1]	**0.4998**	0.5141	**15.9**	**8.0**	11.4	5.9
1 – 5 years[1]	**-**	0.5005	**-**	**-**	12.5	6.3
			15.9	**8.0**	23.9	12.2

[1] Receive Australian dollars, pay Euros

(iii) Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Group is exposed to price risk that arises from investments held by the Group and classified in the Statements of Financial Position as financial asset at fair value through profit or loss. The Responsible Entity monitors and evaluates the performance of the financial assets as at fair value through profit or loss on a regular basis. The Group is not exposed to commodity price risk.

Sensitivity analysis

The impact of an increase or decrease in price or valuation of financial assets at fair through profit or loss at reporting date, with all other variables held constant, has been outlined in Note 21(d).

(b) Credit risk

Credit risk refers to the risk that a counterparty is unable to pay amounts in full when due and defaults on its contractual obligations resulting in a financial loss to the Group. Credit risk for the Group and Prime arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

The Responsible Entity seeks to mitigate this risk for the Group and Prime through the setting of credit policies that include ensuring that investments, cash and derivative transactions are only undertaken with financial institutions with an appropriate credit rating. Receivables and other committed transactions are with a range of counterparties including corporates, individuals, government entities and semi government entities including wholly owned privatised government entities, retail and other property trade receivables. These counterparties have a range of credit ratings or in the case of individuals no credit rating. These counterparties are subject to active on-going monitoring including ensuring that transactions are only entered into with appropriate creditworthy counterparties, or that security remains with the Group or Prime until settlement. Where there is a concern on the credit worthiness, receivables relating to leasing contracts entered into in the normal course of business may be secured by rental deposits and / or other forms of security.

The Group's and Prime's exposure to credit risk consists of the following:

	Investa Office Fund 30 June 2013 $m	Investa Office Fund 30 June 2012 $m	Prime Credit Property Trust 30 June 2013 $m	Prime Credit Property Trust 30 June 2012 $m
Cash and cash equivalents[1]	**12.4**	18.2	**1.9**	6.6
Receivables[1, 2]	**33.2**	5.6	**22.8**	5.1
Financial assets included in assets held for sale	**0.8**	5.0	**0.8**	5.0
Derivative financial instruments[1]	**6.3**	9.4	**1.9**	1.0
Total financial assets	**52.7**	38.2	**27.4**	17.7

[1] The carrying amount of these assets included in the Consolidated Statements of Financial Position represents the consolidated entity's exposure to credit risk in relation to these assets.

[2] An analysis of credit risk exposure for receivables is included in Note 8.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations, or other cash outflows, as they fall due, because of a lack of liquid assets or access to adequate committed credit facilities. Management of liquidity risk is carried out by the Responsible Entity and the Group's risk management 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 assesses the liquidity risk as its ability to meet its payment obligations to satisfy its external credit providers. The Group measures the risk by ascertaining its cash requirements regularly through cash flow forecasts. The Group's main objective is to ensure the continued ability to meet its financial liabilities.

Refinancing risk, also part of liquidity risk, is the risk that the maturity profile of debt makes it difficult to refinance (or rollover) 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. The Group also uses interest rate derivatives to hedge known and forecast positions and reviewing potential transactions to understand the impact on the Group's covenants and credit risk profile.

Refer to Note 14 for disclosure of finance facilities available to the Group.

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.

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 **30 June 2013**	**Less than 1 year $m**	**1 - 5 years $m**	**Greater than 5 years $m**	**Total $m**
Trade and other payables	**24.7**	**-**	**-**	**24.7**
Borrowings	**-**	**617.9**	**-**	**617.9**
Projected interest cost on borrowings[(1)]	**23.3**	**25.7**	**-**	**49.0**
Distribution payable	**55.3**	**-**	**-**	**55.3**
Liabilities directly associated with assets classified as held for sale	**27.6**	**-**	**-**	**27.6**
Total forecast undiscounted future cash flow	**130.9**	**643.6**	**-**	**774.5**

30 June 2012	Less than 1 year $m	1 - 5 years $m	Greater than 5 years $m	Total $m
Trade and other payables	24.9	-	-	24.9
Borrowings	-	459.1	-	459.1
Projected interest cost on borrowings[(1)]	16.0	22.9	-	38.9
Distribution payable	59.6	-	-	59.6
Liabilities directly associated with assets classified as held for sale	23.4	-	-	23.4
Total forecast undiscounted future cash flow	123.9	482.0	-	605.9

(1) Projection is based on the likely outcome of the facilities given the interest rates, margins, foreign exchange rates and interest rate forward curves as at the reporting date up until the contractual maturity of the facilities. The projection is based on the undiscounted cash flows.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(c) Liquidity risk (continued)

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

Prime Credit Property Trust 30 June 2013	Less than 1 year $m	1 - 5 years $m	Greater than 5 years $m	Total $m
Trade and other payables	**13.2**	**-**	**-**	**13.2**
Borrowings	**-**	**177.0**	**-**	**177.0**
Projected interest cost on borrowings[1]	**7.6**	**1.2**	**-**	**8.8**
Distribution payable	**30.7**	**-**	**-**	**30.7**
Liabilities directly associated with assets classified as held for sale	**0.4**	**-**	**-**	**0.4**
Total forecast undiscounted future cash flow	**51.9**	**178.2**	**-**	**230.1**

30 June 2012	Less than 1 year $m	1 - 5 years $m	Greater than 5 years $m	Total $m
Trade and other payables	13.9	-	-	13.9
Borrowings	-	68.0	-	68.0
Projected interest cost on borrowings[1]	3.6	6.5	-	10.1
Distribution payable	24.6	-	-	24.6
Liabilities directly associated with assets classified as held for sale	2.9	-	-	2.9
Total forecast undiscounted future cash flow	45.0	74.5	-	119.5

(1) Projection is based on the likely outcome of the facilities given the interest rates, margins, foreign exchange rates and interest rate forward curves as at the reporting date up until the contractual maturity of the facilities. The projection is based on the undiscounted cash flows.

Derivative financial liabilities

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

Investa Office Fund 30 June 2013	Less than 1 year $m	1 - 5 years $m	Greater than 5 years $m	Total $m
Liabilities				
Interest rate derivatives – net settled	**(0.9)**	**(6.3)**	**-**	**(7.2)**
Cross currency interest rate swaps – gross settled[1]				
Outflows	**(2.6)**	**(10.3)**	**(147.3)**	**(160.2)**
Inflows	**134.3**	**21.1**	**37.8**	**193.2**
	130.8	**4.5**	**(109.5)**	**25.8**
Assets				
Interest rate derivatives – net settled	**0.3**	**0.8**	**-**	**1.1**
Foreign exchanged – gross settled				
Outflows	**(11.6)**	**-**	**-**	**(11.6)**
Inflows	**16.3**	**-**	**-**	**16.3**
	5.0	**0.8**	**-**	**5.8**

(1) Inflows less than 1 year include the AUD receipt associated with the settlement of the USPP. Outflows greater than 5 years include the payment of AUD associated with the outstanding USD principal of the USPP. Refer to Note 14(c) for further details.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(c) Liquidity risk (continued)

Investa Office Fund **30 June 2012**	Less than 1 year $m	1 - 5 years $m	Greater than 5 years $m	Total $m
Liabilities				
Interest rate derivatives – net settled	(3.5)	(4.4)	(0.1)	(8.0)
	(3.5)	(4.4)	(0.1)	(8.0)
Assets				
Foreign exchanged – gross settled				
Outflows	(11.2)	(7.7)	-	(18.9)
Inflows	16.5	12.5	-	29.0
	5.3	4.8	-	10.1

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

Prime Credit Property Trust **30 June 2013**	**Less than 1 year $m**	**1 - 5 years $m**	**Greater than 5 years $m**	**Total $m**
Liabilities				
Cross currency interest rate swaps – gross settled[1]				
Outflows	**(2.6)**	**(10.3)**	**(147.3)**	**(160.2)**
Inflows	**134.3**	**21.1**	**37.8**	**193.2**
	131.7	**10.8**	**(109.5)**	**33.0**
Assets				
Interest rate derivatives – net settled	**0.3**	**0.8**	**-**	**1.1**
Foreign exchanged – gross settled:				
Outflows	**(0.4)**	**-**	**-**	**(0.4)**
Inflows	**0.4**	**-**	**-**	**0.4**
	0.3	**0.8**	**-**	**1.1**

(1) Inflows less than 1 year include the AUD receipt associated with the settlement of the USPP. Outflows greater than 5 years include the payment of AUD associated with the outstanding USD principal of the USPP. Refer to Note 14(c) for further details.

Prime Credit Property Trust **30 June 2012**	Less than 1 year $m	1 - 5 years $m	Greater than 5 years $m	Total $m
Assets				
Foreign exchanged – gross settled:				
Outflows	(3.9)	-	-	(3.9)
Inflows	5.0	-	-	5.0
	1.1	-	-	1.1

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(d) Fair value of financial assets and liabilities

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

AASB 7 *Financial Instruments: Disclosures* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:
(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (*level 1*)
(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (*level 2*), and
(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (*level 3*).

The following tables present both the Group's financial assets and liabilities that were measured and recognised at fair value at the 30 June 2013 and 30 June 2012 year end dates.

Investa Office Fund

30 June 2013	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Assets				
Derivatives financial instruments	-	**6.3**	**-**	**6.3**
Investment in Dutch Office Fund	-	**-**	**257.3**	**257.3**
Total assets	**-**	**6.3**	**257.3**	**263.6**
Liabilities				
Derivatives financial instruments	**-**	**13.1**	**-**	**13.1**
Total Liabilities	**-**	**13.1**	**-**	**13.1**

30 June 2012	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Derivatives financial instruments	-	9.4	-	9.4
Investment in Dutch Office Fund	-	-	247.2	247.2
Total assets	-	9.4	247.2	256.6
Liabilities				
Derivatives financial instruments	-	9.9	-	9.9
Total Liabilities	-	9.9	-	9.9

The following tables present both the Prime's financial assets and liabilities that were measured and recognised at fair value at the 30 June 2013 and 30 June 2012 year end dates.

Prime Credit Property Trust

30 June 2013	**Level 1 $m**	**Level 2 $m**	**Level 3 $m**	**Total $m**
Assets				
Derivatives financial instruments	**-**	**1.9**	**-**	**1.9**
Total assets	**-**	**1.9**	**-**	**1.9**
Liabilities				
Derivatives financial instruments	**-**	**4.9**	**-**	**4.9**
Total Liabilities	**-**	**4.9**	**-**	**4.9**

30 June 2012	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Assets				
Derivatives financial instruments	-	1.0	-	1.0
Total assets	-	1.0	-	1.0

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 21. Financial risk management (continued)

(d) Fair value of financial assets and liabilities (continued)

For financial instruments not quoted in active markets, the Group uses valuation techniques such as present value, 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 derivatives and are all included in level 2 above. Fair value of all derivative contracts has been confirmed with counterparties.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the Group's investment in the Dutch Office Fund. 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. If the value of the investment was adjusted to be 10% higher or lower, the fair value would increase/decrease by $25.7 million (2012: $24.7 million).

The calculation of the fair value of the Group's level 3 financial asset includes a discount for the liquidity risk of the investment. The liquidity risk discount is not based on observable market data and therefore subject to significant judgement. The total discount applied to the reported net asset value of the level 3 investment is 15% (2012: 15%).

The following table presents the changes in level 3 instruments for the years ended 30 June 2013 and 30 June 2012. There have been no transfers in or out of level 3.

	Investa Office Fund	
	30 June 2013	30 June 2012
	$m	$m
Balance at the beginning of the year	**247.2**	301.4
Losses recognised in profit or loss	**(23.0)**	(28.9)
Effect of exchange rate movements	**33.1**	(25.3)
Balance at the end of the year	**257.3**	247.2

All losses included above that were recognised in other income relate to assets held at the end of the reporting period.

Note 22. Related parties

(a) Responsible Entity

Investa Listed Funds Management Limited ("ILFML") is the Responsible Entity of the Fund and Prime.

In the previous reporting period, the unitholders of Investa Office Fund voted to replace ING Management Limited ("IML") with ILFML as Responsible Entity of the Fund and Prime. This change took effect on 8 July 2011.

The Directors of the Responsible Entity are outlined in Note 22(f).

(b) Responsible Entity and its related parties' fees

The Responsible Entity fee for the year ended 30 June 2013 is based on 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. This "cap and floor" of the Responsible Entity fee commenced for the December 2012 quarter, after the first market capitalisation based fee had been established for the September 2012 quarter. This fee structure took effect from 1 July 2012 in accordance with unitholder approval.

In the previous financial reporting period, the Responsible Entity fee was fixed at $8,600,000 per annum, with $8,435,068 being paid and payable during the period. In addition ILFML received a management fee for the period from 1 July 2011 to 7 July 2011 of $165,000 from IML.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 22. Related parties (continued)

(b) Responsible Entity and its related parties' fees (continued)

During the year ended 30 June 2013 Investa Listed Funds Management Limited as the Responsible Entity of the Group and Prime, and its related parties received or will receive the following fees. The 30 June 2012 amounts represent fees received or receivable by Investa Listed Fund Management Limited as the Responsible Entity of the Group and Prime, and related parties from 8 July 2011.

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013 $'000	30 June 2012 $'000	**30 June 2013 $'000**	30 June 2012 $'000
Investa Listed Funds Management Limited:				
Responsible Entity's fees	**9,367**	8,435	**5,219**	4,529
Safe custody fees	**60**	-	**35**	-
Related parties of Investa Listed Funds Management Limited[1]:				
Property management fees	**3,136**	3,130	**2,244**	2,744
Leasing fees	**716**	1,364	**423**	1,082
Project management services	**307**	227	**180**	155
	13,586	13,156	**8,101**	8,510

(1) Related parties of Investa Listed Funds Management include Investa Asset Management Pty Limited, Investa Asset Management (Qld) Pty Limited and Investa Properties Pty Limited who earned property management, leasing and project management fees for managing the property interests for the Group during the year. These fees were determined on normal commercial terms and conditions and approved by the Independent Board Members.

From 1 July 2011 to 7 July 2011 IML earned $165,000 in Responsible Entity's fees from the Group (Prime: $89,000). During the same period, Clarion Partners LLC, ING Real Estate Investment Management France and ING Real Estate Investment Management Belgium, related parties of IML, earned $28,000 in asset management, property management and leasing fees from the Group (Prime: $25,000).

(c) Other transactions with related parties of the Responsible Entity

In March 2013, the Group, jointly with Investa Commercial Property Fund ("ICPF"), a related party of the Responsible Entity, acquired land and also entered into a development management agreement to construct a premium grade office building at 567 Collins St, Melbourne. The Group acquired its share (50%) of the land for $18,750,000 and a further $212,300,000 million in construction costs are anticipated to be paid up to practical completion (expected in the September 2015 quarter).

The Group has advanced funds to 567 Collins Street Trust, an associate of the Group, in proportion to its unitholding in the Trust. These funds are being used to meet the contracted construction and other related costs.

On 2 April 2012, the Group acquired a 50% interest in 242 Exhibition Street Trust from a related entity of ILFML. 242 Exhibition Street Trust owns the investment property at 242 Exhibition St, Melbourne, Vic. The net purchase price paid by the Group was $217,114,000.

On 2 April 2012, the Group acquired a 25% interest in each of Phillip Street Trust and Macquarie Street Trust from a related entity of ILFML .This resulted in the Group having a 25% interest in the investment property held at 126 Phillip St, Sydney, NSW. The net purchase price paid by the Group was $176,239,000.

The Group had borrowings at 8 July 2011, the date of transfer of the Responsible Entity from IML to ILFML, totalling $17.2 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 period from 1 July 2011 to 8 July 2011 was $6,000 (Prime Group: nil).

During the years ended 30 June 2013 and 30 June 2012 the Group received rent from related entities of ILFML. In addition the Group received rental and other property income from leasing space to related entities. The terms of these lease agreements are based on arms-length conditions and approved by the Independent Board Members.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 22. Related parties (continued)

(d) Responsible Entity and its related parties' interest in the Group

Investa Listed Funds Management Limited and its related parties had the following interest in the Group and Prime as at the reporting date, and distributions receivable for the year then ended:

30 June 2013		**Distributions Received/Receivable**	
Name	**Number of units held 000's**	**Investa Office Fund $'000**	**Prime Credit Property Trust $'000**
Investa Listed Funds Management Limited	**17,055**	**3,026**	**1,662**
Post Sale Portfolio Issuer Pty Limited	**10,576**	**1,877**	**1,031**
	27,631	**4,903**	**2,693**

30 June 2012		Distributions Received/Receivable	
Name	Number of units held 000's	Investa Office Fund $'000	Prime Credit Property Trust $'000
Investa Listed Funds Management Limited	17,055	2,981	1,568

(e) Cross stapled loan

Prime recorded interest income of $24,138 (2012: $11,014,037) on a loan to Armstrong Jones Office Fund which is within the Group. Prime incurred an interest expense of $407,295 (2012: $63,860) on a loan from Armstrong Jones Office Fund.

(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 Responsible Entity, and their dates of appointment or resignation if they were not Directors during the whole of the financial year, are:

Deborah Page AM Chairman
Peter Dodd
Peter Rowe
Scott MacDonald
Ming Long

The Directors of ING Management Limited (which was the Responsible Entity until 8 July 2011) from 1 July 2011 up until 8 July 2011, and their dates of appointment or resignation if they were not Directors during the whole of the period were:

Michael Coleman Chairman
Philip Clark AM
Michael Easson AM
Scott MacDonald
Hein Brand

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

Valentino Tanfara Fund Manager; resigned 1 February 2012
Toby Phelps Fund Manager; appointed 1 February 2012

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.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 22. Related parties (continued)

(f) Key management personnel (continued)

Key management personnel, including their related parties, held the following units and distributions received or receivable directly, indirectly or beneficially in each Trust at each year end.

30 June 2013

				Distributions received / receivable	
Name	**Balance at the start of the year 000's**	**Acquired during the year 000's**	**Balance at the end of the year 000's**	**Investa Office Fund $'000**	**Prime Credit Property Trust $'000**
Deborah Page AM	13	3	16	3	2
Peter Dodd	20	-	20	4	2
Scott MacDonald	59	15	74	13	7
Ming Long	10	5	15	3	1
Toby Phelps	4	-	4	1	-

30 June 2012

				Distributions received / receivable	
Name	Balance at the start of the year 000's	Acquired during the year 000's	Balance at the end of the year 000's	Investa Office Fund $'000	Prime Credit Property Trust $'000
Deborah Page AM	4	9	13	2	1
Peter Dodd	-	20	20	4	2
Scott MacDonald	-	59	59	9	4
Ming Long	-	10	10	1	1
Toby Phelps	-	4	4	-	-

The above 2012 units held by key management personnel have been recalculated for the unit consolidation which occurred during the 2012 year.

(g) Transactions with equity accounted investments

Payables to/(from) equity accounted investments

	Investa Office Fund		**Prime Credit Property Trust**	
	30 June 2013 $'000	30 June 2012 $'000	**30 June 2013 $'000**	30 June 2012 $'000
Amount payable from Bastion Tower I NV	**(2,735)**	(3,224)	**-**	-
Amount payable from Neuilly Victor Hugo SCI[1]	**(24,458)**	(20,493)	**-**	-
Amount payable to 567 Collins St Trust	**16,212**	-	**16,212**	-
Interest income	**280**	2,551	**280**	-
Interest expense	**1,101**	145	**-**	-

(1) This payable to the associate relates to the Neuilly Victor Hugo SCI investment which is held for sale. During the year ending 30 June 2013, this amount became interest bearing as outlined in Note 21(a).

Movements in payables to/(from) equity accounted investments

	Bastion Tower I NV		**Amount payable to/(from) Neuilly Victor Hugo SCI**		**567 Collins St Trust**	
	30 June 2013 $'000	30 June 2012 $'000	**30 June 2013 $'000**	30 June 2012 $'000	**30 June 2013 $'000**	30 June 2012 $'000
Balance at beginning of the year	**(3,224)**	(3,379)	**(20,493)**	69,231	**-**	-
Loans repayments and loan advanced	**959**	-	**-**	(83,531)	**15,932**	-
Interest charged	**(102)**	(145)	**(999)**	2,551	**280**	-
Interest paid	**-**	-	**-**	(3,498)	**-**	-
Exchange rate fluctuations	**(368)**	300	**(2,966)**	(5,246)	**-**	-
Balance at the end of the year	**(2,735)**	(3,224)	**(24,458)**	(20,493)	**16,212**	-

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 23. Auditor's remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Investa Office Fund		Prime Credit Property Trust	
	30 June 2013 $'000	30 June 2012 $'000	**30 June 2013 $'000**	30 June 2012 $'000
PricewaterhouseCoopers Australia				
Audit or review of financial reports of the Fund and any other entity in the Group	**207**	200	**104**	111
Other assurance services	**42**	41	**21**	23
Total remuneration of PwC Australia	**249**	241	**125**	134

Note 24. Parent financial information

(a) Summary financial information about the parent of each Group

	Armstrong Jones Office Fund		Prime Credit Property Trust	
	30 June 2013 $m	30 June 2012 $m	**30 June 2013 $m**	30 June 2012 $m
Current assets	**2.4**	5.2	**2.7**	6.9
Total assets	**1,177.2**	1,061.8	**1,465.3**	1,284.9
Current liabilities	**37.5**	46.9	**43.5**	33.0
Total liabilities	**300.9**	208.7	**355.0**	211.2
Equity:				
Issued units	**948.5**	948.5	**1,193.8**	1,193.8
Accumulated losses	**(72.2)**	(95.4)	**(83.5)**	(120.1)
Total equity	**876.3**	853.1	**1,110.3**	1,073.7
Net profit attributable to unitholders from:				
Continuing operations	**72.3**	59.1	**97.1**	182.7
Total comprehensive income	**72.3**	59.1	**96.5**	149.9

(b) Capital commitments

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

	Armstrong Jones Office Fund		Prime Credit Property Trust	
	30 June 2013 $m	30 June 2012 $m	**30 June 2013 $m**	30 June 2012 $m
Investment properties	**38.5**	12.2	**1.1**	1.4
Investment property under construction(1)	**-**	-	**199.7**	-

(1) Relates to the Group's share of committed construction costs of 567 Collins Street, Melbourne, an investment property which is held by an equity accounted investment.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 25. Segment information

(a) Description of segments

The Group invests in office property and office property under redevelopment, each of which are intended for lease. During the year ending 30 June 2013 the properties were located in Australia and Europe. During the year ended 30 June 2012, the remaining United States operations were sold and its operations were classified as discontinued operations, as outlined in Note 5. The Group has identified its 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”.

Only Group segment information is provided to the Board of the Responsible Entity. For this reason and also in conjunction with Prime falling outside the scope of AASB 8 *Operating Segments* requirements, segment information has only been disclosed for the Group.

	Investa Office Fund	
	30 June 2013	30 June 2012
	$m	$m
(b) Segment assets		
Australia	**2,383.5**	2,166.3
United States	**3.4**	4.4
Europe	**317.5**	299.5
Unallocated	**19.4**	32.4
Segment assets	**2,723.8**	2,502.6

Amounts provided to the Board with respect to total segment assets are measured in a manner consistent with that of the financial statements.

	Investa Office Fund	
	30 June 2013	30 June 2012
	$m	$m
(c) Segment revenue		
Australia	**175.3**	162.7
United States	**-**	12.7
Europe	**14.8**	16.0
Segment revenue	**190.1**	191.4
Interest income	**0.9**	3.7
Total revenue	**191.0**	195.1

Revenue transactions between segments are carried out at arm’s length and are eliminated on consolidation. Segment revenue is measures in a manner consistent with that in the Consolidated Income Statement.

The 30 June 2012 balances have been adjusted for the change in accounting policy described in Note 1(aa).

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 25. Segment information (continued)

	Investa Office Fund	
	30 June 2013	30 June 2012
	$m	$m
(d) Segment result		
Australia	**162.1**	130.3
United States	**-**	12.2
Europe	**20.3**	23.9
Segment result	**182.4**	166.4
Interest income	**0.9**	1.3
Finance costs	**(33.3)**	(28.8)
Responsible Entity's fees	**(9.4)**	(8.6)
Net foreign exchange gain	**2.8**	5.9
Foreign asset management fees	**(0.4)**	(1.4)
Other expenses	**(3.6)**	(3.7)
Current income tax expense	**(1.9)**	(2.9)
External non-controlling interests share of operating income	**-**	(0.1)
Operating earnings	**137.5**	128.1

The Group and Prime reports net profit attributed to unitholders in accordance Australian Accounting Standards (“AAS”). The Responsible Entity considers the non-AAS measure, operating earnings, an important indicator of underlying performance of the Group and Prime. To calculate operating earnings, net profit attributable to unitholders is adjusted to exclude unrealised gains or losses, certain non-cash items, fair value gains or losses on investments and other amounts that are non-recurring or capital in nature. These adjustments may change from time to time, depending upon changes to AAS and/or the Responsible Entity’s assessment of non-recurring or capital items. No adjustments have been made for amortisation of lease incentives or lease fees as the Responsible Entity considers these to be a component of rental income.

		Investa Office Fund	
	Note	**30 June 2013**	30 June 2012
		$m	$m
Operating earnings		**137.5**	128.1
Net gain/(loss) on change in fair value of:			
Investment properties	11	**39.4**	110.4
Derivatives		**(5.7)**	(18.5)
Items included in share of net profit of equity accounted investments:			
Investment properties	12	**12.4**	19.1
Derivative financial instruments	12	**0.8**	(4.0)
Loss on financial asset at fair value (DOF)	9	**(23.0)**	(28.9)
Fair value loss of acquisition costs on equity accounted investments	12	**-**	(12.2)
Loss on transfer of equity accounted investments to assets held for sale	5	**(1.3)**	-
Net gain on disposal of investments		**0.2**	6.1
Transfer of foreign currency translation reserve from disposed operations to profit and loss	5	**-**	(131.1)
Net foreign exchange gain		**2.0**	19.9
Distribution from financial asset at fair value through profit or loss		**14.8**	16.0
Operating income from DOF		**(16.7)**	(17.5)
Straight-lining of lease revenue		**(0.8)**	(0.4)
Upfront receipts from interest rate derivatives[(i)]		**0.7**	-
Pre-acquisition incentive amortisation on equity accounted investments		**(0.5)**	-
Income tax (expense)/benefit		**(1.1)**	21.4
External non-controlling interests share of operating income		**-**	0.1
Net profit for the year		**158.7**	108.5
Net profit attributable to external non-controlling interests		**-**	(6.6)
Net profit attributable to unitholders		**158.7**	101.9

(i) During the year ending 30 June 2013, the Group entered into fixed to floating interest rate derivatives. The transaction included an initial upfront payment of $0.8 million made to the Group. For the measurement of operating earnings the Responsible Entity considers the upfront receipt as income to be released over the life of the derivatives.

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 25. Segment information (continued)

(e) Other information

30 June 2013	**Investa Office Fund** Australia $m	Europe $m	United States $m	Total $m
Share of net profit of equity accounted investments	**40.9**	**1.0**	**-**	**41.9**
Net gain on change in fair value of investment property	**39.4**	**-**	**-**	**39.4**
Additions to investment properties and equity accounted investments	**153.0**	**-**	**-**	**153.0**

30 June 2012	**Investa Office Fund** Australia $m	Europe $m	United States $m	Total $m
Share of net profit of equity accounted investments	6.6	7.2	7.3	21.1
Net gain on change in fair value of investment property	78.8	-	31.6	110.4
Additions to investment properties and equity accounted investments	443.9	-	3.3	447.2

Note 26. Note to the Consolidated Statements of Cash Flows

Reconciliation of profit to net cash flows from operations is as follows:

	Investa Office Fund		**Prime Credit Property Trust**	
	30 June 2013 $m	30 June 2012 $m	**30 June 2013 $m**	30 June 2012 $m
Net profit for the year	**158.7**	108.5	**96.5**	18.0
Adjustments for:				
Straight-lining of lease revenue	**0.8**	0.6	**0.3**	1.4
Unrealised foreign exchange gain	**(1.0)**	(2.7)	**(0.9)**	4.3
Net gain on disposal of investments	**(0.2)**	(7.0)	**(0.2)**	(8.0)
Net gain on change in fair value of:				
Investment properties	**(39.4)**	(110.4)	**(14.0)**	(79.7)
Derivatives	**5.7**	(18.5)	**4.0**	(8.4)
Loss on financial asset at fair value through profit or loss	**23.0**	28.9	**-**	-
Transfer of foreign currency translation reserve from disposed operations to profit and loss	**-**	131.1	**-**	131.1
Fair value loss of acquisition costs on equity accounted investments	**-**	12.2	**-**	12.2
Amortisation of tenant incentives and leasing fees	**16.7**	14.7	**9.9**	10.8
Excess of distributions received from equity accounted investments over share of profits	**(14.6)**	(13.5)	**(14.5)**	(5.1)
Excess of distribution from asset held for sale over share of profits	**(1.0)**	-	**-**	-
Deferred income tax benefit	**-**	(56.7)	**-**	(54.5)
Loss on transfer of equity accounted investments to asset held for sale	**1.3**	-	**-**	-
Other non-cash items	**(5.0)**	(3.3)	**(1.2)**	(0.6)
Net cash provided by operating activities for the year before changes in working capital	**145.0**	83.9	**79.9**	21.5
Changes in working capital:				
(Increase)/Decrease in receivables	**(0.2)**	1.7	**(0.1)**	0.7
Decrease in payables	**(1.3)**	(1.9)	**(1.8)**	(3.4)
Net cash provided by operating activities from operations	**143.5**	83.7	**78.0**	18.8

Notes to the Consolidated Financial Statements (continued)
For the year ended 30 June 2013

Note 27. Events occurring after the reporting period

The settlement of the 99 Walker Street, North Sydney acquisition occurred on the 24 July 2013 for a purchase price of $124.9 million plus settlement adjustments and transaction costs.

The USPP outlined in Note 14(c) settled on the 12 August 2013 with the funds received from the placement, amounting to AUD$128.9 million as at that date, used to repay the Group and Prime's existing syndicated bank debt.

The Directors of the Responsible Entity are not aware of any other matter or circumstance not otherwise dealt within this report or the financial report that has significantly or may significantly affect the operations of the Group or Prime, the results of those operations, or state of the Group's or Prime's affairs in future financial periods.

Directors' Declaration

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

(a) the Consolidated Financial Statements and notes set out on pages 12 to 68 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

   (ii) giving a true and fair view of each of, the Group and Prime Credit Property Trust's consolidated financial position as at 30 June 2013 and of their 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 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 of the *Corporations Act 2001* for the year ending 30 June 2013.

Deborah Page AM
Chairman
Sydney
21 August 2013

Independent auditor's report to the stapled securityholders of Investa Office Fund and the unitholders of Prime Credit Property Trust

Report on the financial report

We have audited the accompanying financial report which comprises:

- the Consolidated Statement of Financial Position as at 30 June 2013, and the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Investa Office Fund, being the consolidated stapled entity ("Investa Office Fund"). The consolidated stapled entity, as described in Note 1 to the annual financial report, comprises Armstrong Jones Office Fund and the entities it controlled during that year, including Prime Credit Property Trust and the entities it controlled during that year, and

- the Consolidated Statement of Financial Position as at 30 June 2013, and the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for Prime Credit Property Trust, being the consolidated entity ("Prime Credit Property Trust"). The consolidated entity comprises Prime Credit Property Trust and the entities it controlled during that year.

Directors' responsibility for the financial report

The directors of Investa Listed Funds Management Limited, the Responsible Entity of Investa Office Fund (collectively referred to as "the directors") are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. As the auditor of Investa Office Fund and Prime Credit Property Trust, these Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are

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appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

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

Independence

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

Auditor's opinion

In our opinion

a) the financial report of Investa Office Fund and Prime Credit Property Trust is in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of Investa Office Fund and Prime Credit Property Trust's financial position as at 30 June 2013 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*, and

b) the consolidated financial report and notes of Investa Office Fund and Prime Credit Property Trust's also comply with International Financial Reporting Standards as disclosed in Note 1.

PricewaterhouseCoopers

PricewaterhouseCoopers

SJ Hadfield

S J Hadfield
Partner

21 August 2013