

## Appendix 4E Preliminary Final Report

### ING Private Equity Access Limited ABN 48 107 843 381 For the period ending 30 June 2007

1. This preliminary final report is for the reporting period from 1 July 2006 to 30 June 2007. The corresponding period relates to the period from 1 July 2005 to 30 June 2006.
2. Results for announcement to the market:

2.1	Revenue from ordinary activities (\$'000)	Up	5%	9,149
2.2	Profit from ordinary activities after tax attributable to members (\$'000)	Down	1%	6,070
2.3	Net profit for the period attributable to members (\$'000)	Down	1%	6,070
2.4	2007 Dividends: Interim Dividend (100% franked) paid 20 March 2007 Final Dividend (100% LIC gains, 0% franked) payable 21 November 2007  2006 Dividends: Interim Dividend (100% franked) paid 20 March 2007 Final Dividend (100% LIC gains, 0% franked) paid 19 September 2007	Up  Up  -#  -#	20%  20%  -  -	2.10c 5.40c - 1.75c 4.50c
2.5	Record date for determining 2007 final dividend entitlement	5 November 2007		
2.6	Brief Explanation: Refer Board Statement (attached)			

# First dividends

3. Statement of Financial Performance together with notes – refer attached.
4. Statement of Financial Position together with notes – refer attached.
5. Statement of Cash Flows together with notes – refer attached.
6. Dividends

The company has paid or will pay the following dividends:

Dividend	Date paid/payable	Cents per Share	Franking percentage	LIC Capital Gains
F2006 Final	19 September 2006	4.50	-	100%
F2007 Interim	20 March 2007	2.10	100%	-
F2007 Final	21 November 2007	5.40	-	100%

7. Dividend Reinvestment Plan – a Dividend Reinvestment Plan is not currently in operation but will be recommended to shareholders at the next Annual General Meeting.
8. Retained Earnings – refer attached Statement of Changes in Equity.
9. Net tangible assets per stapled security:

<b>Period</b>	<b>NTA per share before tax</b>	<b>NTA per share after tax</b>
30 June 2007	\$1.397	\$1.272
30 June 2006	\$1.219	\$1.180

10. There were no entities over which control has been gained or lost during the period.
11. There were no associates or joint venture entities during the financial period.
12. There is no other significant information to report, other than what has been disclosed, that would be needed by an investor to make an informed assessment of the entity's financial performance and financial position.
13. Accounting standards used by foreign entities – not applicable.
14. Commentary on the results for the period – Refer Board statement attached.
15. This report is based on accounts which have been audited. Refer attached audit report.

23 August 2007

***ING Private Equity Access Limited delivers another strong performance***

Australia's first listed private equity fund of funds has enjoyed a year of robust performance and has increased the value of its private equity exposure by 150%. Other highlights achieved over the year included:

- The number of private equity investments increased by 128%
- Private equity commitments increased by 41%
- Exposure to private equity increased to 84%
- NTA (including dividends paid) increased by 16%
- Amount of dividend increased by 20%
- Total dividends of 7.50 cps paid and declared

The Company's Chairman, Mr Geoff Brunson commented, "This strong set of results continues to validate INGPEAL's investment strategy. The Company has delivered growing profits and dividends each year since inception and built its private equity exposure prudently and in line with our expectations. The private equity portfolio is of high quality, impossible to replicate and is well poised to deliver on its potential over the next few years."

**Financial Result**

The Company's third annual result extended the strong performance of the first two with a net profit after tax of \$6.1 million (2006: \$6.1 million). This equates to 14.13 cents per share (2006: 14.28 cents per share).

The result reflects the planned and phased reduction of the Company's listed equity holdings which have delivered strong returns while the Company has built a portfolio of private equity funds. The profit has largely been driven by the listed equity dividends and gains in the past but will be generated by the maturing of the private equity portfolio in future years. At the date of this report the Company has almost no listed equity holdings.

**Dividends**

The Company's policy is to pay as dividends as much of its profits (excluding unrealised gains and losses) as it believes prudent. The company intends to pay a tax advantaged dividend for the period ended 30 June 2007 of 5.40 cents per share (4.50 cents per share in 2006) consisting of 100% LIC Capital Gains. The dividend will be payable on 21 November 2007 with a record date of 5 November 2007. Optionholders should note that the record date is after the Option expiry date of 31 October 2007

Shareholders will be asked to consider the introduction of a dividend reinvestment plan (DRP) at the AGM in October so a DRP may be available when the dividend is paid.

## Net Asset Backing

Net tangible asset backing rose from \$1.22 per share (pre-tax) to \$1.40 over the reporting period. There was also 6.60 cents per share paid in tax efficient dividends over the same time. This represents a total increase of approximately 20%.

## Capital Management

The Company has been 'over-committing' the initial capital of \$43 million raised in the November 2004 float, increasing commitments to \$107 million at balance date and ensuring a programme of vintage diversification. The purpose of this policy is to achieve and optimise the exposure to private equity, recognising the cash flow patterns of the funds (gradual draw-down and gradual returns from these partly paid vehicles).

The capital that may be provided by the Company's options has been factored into the policy. The Company has 21.2 million options outstanding. These can be exercised for \$1.00 per share at any time and have an expiry date of 31 October 2007.

In addition, the Company has now put in place a \$20 million debt facility and is recommending a dividend re-investment plan as prudent measures to ensure we have adequate capital available to meet the opportunities that face us.

Projecting the patterns of private equity draw-downs and returns will always be inexact and we will continue to monitor our positions to try and maximise returns to shareholders.

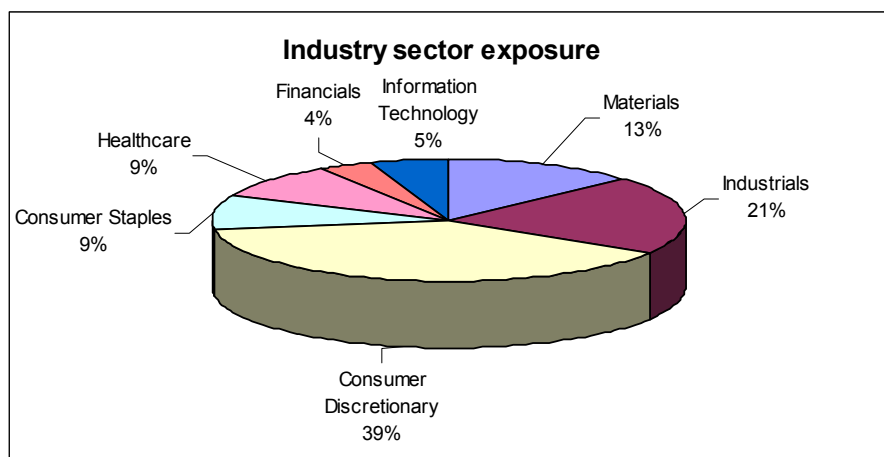
## Investment Portfolio

During the period, our defensive listed equity portfolio declined from 63% of assets to 8% of the investment portfolio and provided a return of just under 27%. The reduction of exposure was to permit the concurrent significant increase in private equity exposure which reached 84% at year end. The table below shows the number of underlying investments in the portfolio with more than 50% of them being held for less than 12 months.

*Number of investments as at:*

30 June 2007	73
30 June 2006	32
30 June 2005	9

Those companies operate in a wide range of industries and pleasing levels of industry diversification have emerged:



The relative immaturity of the portfolio means that most investments are being held at cost (typical for the first 12 months following acquisition) while we can expect to see revaluations emerging from the slightly older investments. Valuation practices in the private equity industry still tend to be conservative and that conservatism is reflected in the Company's NTA.

The Company has built an excellent portfolio to date with commitments totalling \$107.2 million, increasing by \$30m over the year with follow-on commitments to Archer Capital, Quadrant Private Equity and Pacific Equity Partners. The pace of any future commitments will be modest as we balance the growth of our exposure with our capital capacity.

Manager	Fund	Commitment
Archer Capital	Archer Capital Fund 3	\$7.5m
Archer Capital	Archer Capital Fund 4	\$10.0m
Catalyst Investment Managers	Catalyst Buyout Fund 1	\$8.0m
CM Capital	CM Capital Venture Trust No 4	\$8.0m
DB Capital Partners	Deutsche Private Equity Fund II	\$3.4m
Direct Capital Management	Direct Capital Partners III	\$7.2m <sup>(1)</sup>
Hastings Fund Management	Hastings Private Equity Fund II	\$8.0m
Ironbridge Capital	Ironbridge Capital 2003/4 Fund	\$5.0m
NBC Capital	NBC Private Equity Fund II	\$6.0m
Pacific Equity Partners	Pacific Equity Partners III	\$8.0m
Pacific Equity Partners	Pacific Equity Partners IV	\$10.0m
Quadrant Private Equity	Quadrant Private Equity No. 1	\$8.0m
Quadrant Private Equity	Quadrant Private Equity No. 2	\$10.0m
Wolseley Partners	Wolseley Partners Fund 1	\$8.0m
<b>Total Commitments</b>		<b>\$107.1m</b>

(1) Approximate Australian dollar value of this NZ\$8m commitment.

### Current Outlook

The financial year was a strong one for Australia and provided a positive environment for the growth of our existing private equity companies. The robust economy and generally optimistic outlook have meant that debt has been readily available for private equity transactions where those companies can demonstrate that they will be able to capitalise on that outlook through growth and reliability of cash flows.

The current year has seen significant volatility in the capital markets, initially triggered by concerns about the sub-prime mortgage market in the USA. The resulting flow-on effects for credit markets generally, and also for share markets, have attracted a lot of attention, but this volatility should have little short term impact on the Company's current portfolio:

- where debt has been employed within our underlying investments, it is usually for 3 or 5 year terms with 75% of the interest exposure hedged.
- debt is at prudent levels taking into account the particular characteristics of the companies concerned

Overall, the current "noise" in the market is likely to have only a moderate impact on private equity activity which will be driven more by general economic conditions. We expect the level of new private equity activity to slow while the debt markets stabilise though our managers continue to report a satisfactory level of deal flow for new opportunities.

Many existing portfolio companies are beginning to reap the benefits of strategic and operational changes made by our private equity managers and we are seeing increases in portfolio company earnings. Australia's underlying economic fundamentals continue to be relatively benign and favourable for the performance of portfolio companies which is likely to be reflected in increased valuations over coming years. We also expect to enjoy the benefits of a number of realisations as a few of the older investments are likely to capitalise on the conditions and be offered for sale.

The past year has seen the completion of the formative stage of the Company's life, with the conversion of earlier commitments into additional investments in private equity and the reduction of the listed equity portfolio. In turn, the F08 year should see our private equity exposure reach 100% of the assets we hold. We believe that this will give the market additional opportunity to recognise the unique value that the Company is building.

### **Annual General Meeting**

The Annual General Meeting will be held at the Menzies Hotel, Carrington Street, Sydney on Wednesday 17 October, 2007 at 2.00pm.

Yours sincerely,



Jon Schahinger  
Managing Director

<b>Summary of important dates</b>	
Annual General Meeting	17 October 2007
Option expiry date	31 October 2007
Record date for dividend entitlement	5 November 2007
Payment of dividend	21 November 2007



ING Private Equity Access Limited  
ABN 48 107 843 381

Appendix 4E Accounts to Investors  
30 June 2007

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## Directors' Report

The directors submit their report for the year ended 30 June 2007:

### Director Information

The names and details of the company's directors in office during the financial year and until the date of this report are as follows:

<b>Director Name</b>	<b>Position</b>	<b>Appointment Date</b>
Geoff Brunsdon	Independent, Non-Executive Director and Chairman	3 February 2004
Jon Schahinger	Managing Director	3 February 2004
Grant Bailey	Executive Director	3 February 2004
Don Stammer	Independent and Non-Executive Director	3 February 2004

The qualifications of the company's directors in office during the financial year and until the date of this report are as follows:

#### **Geoffrey Brunsdon – Independent and Non-Executive Director (Chairman)**

Geoff Brunsdon is Managing Director and Head of Investment Banking at Merrill Lynch (International) Australia Limited.

Geoff's career in investment banking has spanned more than 20 years. He has been involved in or responsible for some of Australia's most significant floats and takeovers. He was a member of the listing committee of the Australian Stock Exchange between 1993 and 1997. Geoff is a Non-Executive Director of Sims Group Limited. He is a Chartered Accountant, a Fellow of FINSIA and a Fellow of the Australian Institute of Company Directors.

#### **Jon Schahinger – Managing Director**

ING Investment Management has made Jon Schahinger available to the Company as Managing Director. That role is to oversee the implementation of the Company's investment strategy and its administrative requirements. He is the Company's primary contact for its external relationships.

Jon has prime responsibility for all aspects of ING Investment Management's private equity operations. He has a background in accounting, finance, investment and company secretarial functions. Jon has been in the funds management industry for 18 years in both the listed and unlisted arenas and is a Non-Executive Director of two other public companies, Advent III Private Equity Limited and Quickflix Limited.

#### **Grant Bailey – Non-Executive Director**

Grant Bailey is the Chief Executive Officer of ING Investment Management and has overall responsibility for the company's investment and business strategy. Grant has over 30 years of extensive experience in the economic, finance and asset management industries. He had a 14 year career in the Australian Treasury in Canberra and Washington followed by roles as Chief Economist and Chief Investment Officer with Citigroup, based in both Australia and Singapore.

#### **Donald Stammer – Independent and Non-Executive Director**

Don Stammer has had a long and distinguished career in each of academia, central banking and investment banking and is one of Australia's best known economists. From 1972 until 1981 Don held senior positions, including deputy chief manager, at the Reserve Bank of Australia. From 1981 until 2001 he was Chief Economist/Director of Investment Strategy with Deutsche Bank (formerly Bain & Company). Don chairs the listed company, Praemium Limited.

## Directors' Report (continued)

### Company Secretaries

Secretary Name	Appointment Date	Resignation Date
Michael Maroney	3 February 2004	13 November 2006
Peter McDonald	6 April 2006	-
Graham Batten	21 November 2006	-

### Interests in the shares and options of the company

As at the date of this report, the interests of the directors in the shares and options of ING Private Equity Access Limited were:

Director Name	Ordinary Shares	Options over Ordinary Shares
Geoff Brunsdon	320,000	90,000
Jon Schahinger	275,000	100,000
Grant Bailey	20,000	10,000
Don Stammer	165,000	50,000

### Directors' meetings

The number of meetings of directors (including meetings of committees of directors) held during the period and the number of meetings attended by each director were as follows:

	Directors' Meetings		Meetings of Committees: Audit & Compliance	
	Held	Attended	Held	Attended
Geoff Brunsdon	10	10	4	4
Jon Schahinger*	10	10	-	-
Grant Bailey*	10	8	-	-
Don Stammer	10	10	4	4

\* Jon Schahinger and Grant Bailey are not members of the Audit and Compliance Committee.

## Corporate Information

### Corporate structure

ING Private Equity Access Limited (the Company) is a company limited by shares that is incorporated and domiciled in Australia. It has no parent entity.

### Principal activities

The principal activity of the Company during the period was making long-term investments in private equity funds and investments in Australian listed equities.

The company began these activities after listing on the ASX on 25 November 2004.

## Directors' Report (continued)

### Employees

Until the date of this report, the Company has no employees because the functions of the Company are performed by the investment manager, ING Investment Management Limited (the Manager), under the terms of a Management Agreement.

### Review and results of operations

During the period, the Company engaged in its principal activity, the results of which are enclosed in the attached financial statements.

### Operating Results for the Period

Net profit for the company for the period was \$6,069,931 (2006: \$6,125,463) after providing for income tax.

<b>Earnings per share for the reporting period</b>	<b>2007 cents</b>	<b>2006 cents</b>
<hr/>		
<i>EPS based on the weighted average number of ordinary shares</i>		
Basic earnings per share (cents per share)	<b>14.13</b>	<b>14.28</b>
Diluted earnings per share (cents per share)	<b>14.13</b>	<b>14.28</b>

<b>Dividends</b>	<b>Cents/ share</b>	<b>\$'000</b>
<hr/>		
Final dividends recommended on ordinary shares		
<i>Dividends paid during the year:</i>		
Interim for the year	<b>2.10</b>	<b>903</b>
Final for 2007 shown as recommended in the 2007 report <sup>#</sup>	<b>5.40</b>	<b>2,332</b>

<sup>#</sup> The actual dollar amount of final dividend that will be paid may change depending on the number of options exercised between the date of this report and record date of the final dividend.

### Significant changes in the state of affairs

There were no significant changes in the state of affairs of the company during the reporting period.

### Significant events after the balance date

There have been no events since balance date which have had a significant effect on the company or its financial statements other than those set out in Note 19.

## Directors' Report (continued)

### Likely developments and expected results

The directors anticipate that the 2008 financial year will be a period where increasing amounts are exposed to private equity as the portfolio matures. Amounts exposed to other assets may increase in the short term as existing capital may be supplemented by amounts raised through the issue of additional shares (for example by the exercise of outstanding options).

### Environmental regulation and performance

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

### Corporate governance

In recognising the need for high standards of corporate behaviour and accountability, the Directors of ING Private Equity Access Limited support the principles of corporate governance issued by the ASX where appropriate. The Company's corporate governance statement is contained in the following section of this annual report.

### Indemnification and insurance of directors and officers

The Company is establishing insurance in respect of directors' and officers' liability and legal expenses' insurance contracts for current directors and officers.

The insurance relates to:

- costs and expenses incurred by the relevant officers in defending proceeds, whether civil or criminal and whatever their outcome; and
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The amount of the premium is, under the terms of the insurance contract, confidential.

The Company has not indemnified the auditor of the Company.

### Share options

#### *Unissued shares*

As at 30 June 2007, there were 21,284,897 (2006: 21,404,964) unissued ordinary shares under options (21,123,360 as at the date of this report). Shares issued in the future due to these options being exercised will be issued by the Company for \$1.00 each and will rank equally with other issued shares of the Company.

The option exercise period ends on 31 October 2007.

#### *Shares issued as a result of the exercise of options*

During the year, shareholders have exercised the option to acquire 120,067 (2006: 28,304) fully paid ordinary shares in ING Private Equity Access Limited at an exercise price of \$1.00. Since the end of the financial year, a further 161,537 options have been exercised, at an exercise price of \$1.00.

## Directors' Report (continued)

### Rounding

The amounts contained in this report and in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available to the company under ASIC Class Order 98/0100. The company is an entity to which the Class Order applies.

## Remuneration report

### Remuneration policy

It is not the intention of the Board to establish a Remuneration Committee at this stage. In the event that the Board deems it necessary, one will be established. There is no link between remuneration paid to Directors and corporate performance. The Managing Director Mr Jon Schahinger, who is remunerated by the Investment Manager, is entitled to a performance based payment of 20% of any performance fees the Investment Manager receives from the Company.

### Compensation of Directors

From establishment, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related body corporate with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest, other than disclosed below:

	<b>Annual Directors' Fees 2007</b>	<b>Annual Directors' Fees 2006</b>
	<b>\$</b>	<b>\$</b>
Geoff Brunson	40,000	40,000
Jon Schahinger*	-	-
Grant Bailey*	-	-
Don Stammer	30,000	30,000

\* Jon Schahinger and Grant Bailey's compensation is paid by the Manager.

No director has received a share based payment or other long term benefit during the year ended 30 June 2007 (2006: \$Nil).

### Management Agreement

#### *Management Fee*

In consideration for the services provided under the Management Agreement, the Manager is entitled to a Management Fee of 0.0833% of the value of the Portfolio calculated on the last business day of each month (being a fee of 1% per annum of the value of the Portfolio) and paid no less frequently than quarterly.

#### *Administration Fee*

In consideration for providing administration services to the Company, the Manager is entitled to receive a fee of \$80,000 per annum (plus any applicable GST), as adjusted on a yearly basis having regard to movements in the Consumer Price Index. The parties will, in good faith, renegotiate the amount of the Administration Fee every three years.

## Directors' Report (continued)

### Emoluments of the five most highly paid executive officers of the company

Other than Directors and the Company Secretaries there were no executive officers.

### Auditor's independence declaration

A statement of independence has been provided by our auditors, Ernst & Young and is attached to the Directors' Report on page 9.

### Non Audit Services

Payments made to the auditor for non-audit services during the period are disclosed in Note 20: Auditors' Remuneration. The Board is of the view that the independence of the Auditors has not been impacted by these payments.

Signed in accordance with a resolution of the Directors.

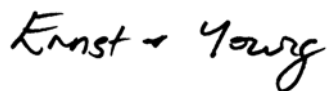
A handwritten signature in black ink, appearing to read 'Geoff Brunson', followed by a long horizontal line extending to the right.

Geoff Brunson  
Chairman

Sydney  
23 August 2007.

## **Auditor's Independence Declaration to the Directors of ING Private Equity Access Limited**

In relation to our audit of the financial report of ING Private Equity Access Limited for the financial year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



Gamini Martinus  
Partner  
Sydney  
23 August 2007

## Corporate Governance Statement

The Board of Directors of ING Private Equity Access Limited (the Board) is responsible for the corporate governance of the company. The Board guides and monitors the business and affairs of ING Private Equity Access Limited on behalf of the shareholders, by whom they are elected and to whom they are accountable.

This Corporate Governance Statement has been set out in accordance with the ASX Corporate Governance Council's (the Council) "Principles of Good Corporate Governance and Best Practice Recommendations" (the Recommendations). In accordance with the Council's Recommendations, the Corporate Governance Statement contains specific information disclosing the extent to which the company has followed the guidelines during the period. Additionally, where the Company considers that a Recommendation is inappropriate to its particular circumstances, it has not adopted it. In this case, that fact has been disclosed below, together with the reasons for the departure.

The Council's Recommendations are as follows:

- |               |  |
|---------------|--|
| Principle 1.  | Lay solid foundations for management and oversight |
| Principle 2.  | Structure the board to add value                   |
| Principle 3.  | Promote ethical and responsible decision making    |
| Principle 4.  | Safeguard integrity in financial reporting         |
| Principle 5.  | Make timely and balanced disclosure                |
| Principle 6.  | Respect the rights of shareholders                 |
| Principle 7.  | Recognise and manage risk                          |
| Principle 8.  | Encourage enhanced performance                     |
| Principle 9.  | Remunerate fairly and responsibly                  |
| Principle 10. | Recognise the legitimate interests of stakeholders |

ING Private Equity Access Limited's corporate governance practices were in place throughout the period ended 30 June 2007 and were fully compliant with the Council's best practice Recommendations unless otherwise disclosed below.

### **Principle 1: Lay solid foundations for management and oversight**

#### **Formalisation and disclosure of the functions reserved to the board and those delegated to management**

As an alternative to the board adopting a formal statement of matters reserved to it or adopting a formal board charter, a formal statement delegating authority to management has been established. Any additional matters affecting the Company are discussed in full and dealt with by the board when required.

### **Principle 2: Structure of the Board**

#### **Independent directors**

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the annual report is included in the Annual Report. Directors of ING Private Equity Access Limited are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

## Corporate Governance Statement (continued)

In the context of director independence, “materiality” is considered from both the company and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount. Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors which point to the actual ability of the director in question to shape the direction of the company’s loyalty.

In accordance with the definition of independence above, and the materiality thresholds set, Geoff Brunsdon and Don Stammer are considered to be independent. With only 50% of the board comprised of independent Directors, the company will not satisfy the best practice recommendation set by the ASX Corporate Governance Council. However, the Company believes that as the principal management function associated with the investment portfolio has been contracted to the Manager, the participation of equal independent and non-independent Directors is appropriate in the circumstances.

There are procedures in place, agreed by the Board, to enable directors, in pursuance of their duties, to seek independent professional advice at the Company’s expense.

The term in office held by each Director at the date of this report is as follows:

<b>Director’s Name</b>	<b>Term in office</b>
Geoff Brunsdon	3 February 2004 to present
Jon Schahinger	3 February 2004 to present
Grant Bailey	3 February 2004 to present
Don Stammer	3 February 2004 to present

### **Nomination Committee**

The Board, as a whole, serves as a Nomination Committee. The composition of the Board is monitored (both in respect of size and membership) to ensure that the Board has a balance of skill and experience appropriate to the needs of the Company. When a vacancy exists, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person.

### **Principle 3: Promote ethical and responsible decision-making**

#### **Trading in company securities by directors, officers and employees**

The Board has implemented a policy in relation to Board members, company officers and Investment Manager’s employees trading in the shares and options of the company. Prior to any trade by an employee or Board member of ING Private Equity Access Limited or the Manager, approval must be applied for and granted. The application is considered in light of all relevant factors, such as availability of information to the market and current confidential company information, prior to any approval. Any person with approval to trade in the company’s securities has a specific timeframe in which to complete their order.

## Corporate Governance Statement (continued)

### Principle 4: Safeguard integrity in financial reporting

#### Audit Committee

The Board has established an audit committee, which operates under a charter approved by the Board. It is the Board's responsibility to ensure that an effective internal control framework exists within the entity. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes, the safeguarding of assets, the maintenance of proper accounting records, and the reliability of financial information as well as non-financial considerations such as the benchmarking of operational key performance indicators. The Board has delegated the responsibility for the establishment and maintenance of a framework of internal control and ethical standards for the management of the company to the audit committee.

The committee also provides the board with additional assurance regarding the reliability of financial information for inclusion in the financial reports. The members of the audit committee are non-executive directors and during the period were:

- Don Stammer
- Geoff Brunson

For details on the number of meetings of the audit committee held during the period and the attendees at those meetings, refer to the Directors' Report.

### Principle 8: Encourage enhanced performance

#### Performance Evaluation

An annual performance evaluation of the Board, its committees and individual directors was not conducted during the financial year. The Board decided that a comprehensive external or internal review would not add any value to the operation of the board given the style of operations of the Company.

Directors have access to continuing education to update their skills and knowledge, including developments in the company and within the industry and environment within which it operates. Additionally, there is a procedure for Board members to take independent professional advice if necessary, at the Company's expense.

The dual company secretary regime provides additional support for the board by monitoring and co-ordinating board policy, procedures, agendas and materials.

### Principle 9: Remunerate fairly and responsibly

#### Directors' Remuneration

Geoff Brunson and Don Stammer are remunerated by fees for an aggregate amount of \$70,000 per annum. All Directors' payments are inclusive of committee fees and superannuation.

For details on the breakdown of the Directors remuneration, refer to page 7. Further, the amount of remuneration for all Directors, including all monetary and non-monetary components, is detailed in Note 21 to the financial report. Presently, only two directors receive any remuneration from the Company. The Executive Directors are remunerated by the Manager.

There is no link between remuneration paid to Directors and corporate performance. The Managing Director Mr Jon Schahinger, who is remunerated by the Investment Manager, is entitled to a performance based payment of 20% of any performance fees the Investment Manager receives from the Company. These terms were set out in the Initial Public Offer document.

Due to the small number of company officers it is not the intention of the Board to establish a Remuneration Committee at this stage. In the event that the Board deems it necessary, one will be established.

## Financial Statements

### Income Statement

For the year ended 30 June 2007	Note	2007 \$'000	2006 \$'000
<b>Revenues</b>			
Change in net market value of financial assets held at fair value through profit and loss – listed instruments		4,609	6,123
Dividend/distribution revenue		4,422	2,461
Interest revenue		96	140
Other revenue		22	15
	<b>4</b>	<b>9,149</b>	<b>8,739</b>
<b>Expenses</b>			
Management fees		565	499
Directors' fees	<b>21</b>	70	70
Administration fees	<b>18</b>	82	82
Other expenses	<b>5</b>	388	270
		<b>1,105</b>	<b>921</b>
<b>Profit before income tax expense</b>		<b>8,044</b>	<b>7,818</b>
<b>Income tax expense</b>	<b>6</b>	<b>(1,975)</b>	<b>(1,693)</b>
<b>Net profit attributable to members of ING Private Equity Access Limited</b>		<b>6,069</b>	<b>6,125</b>

#### Earnings per share (EPS)

##### EPS based on the weighted average number of ordinary shares

Basic earnings per share (cents per share)	14.13	14.28
Diluted earnings per share (cents per share)	14.13	14.28

## Balance Sheet

As at 30 June 2007	Note	2007 \$'000	2006 \$'000
<b>Current assets</b>			
Cash assets	9	4,861	2,149
Receivables	10	112	431
Financial assets held at fair value through profit and loss-listed equities	11	4,858	32,900
<b>Total current assets</b>		9,831	35,480
<b>Non-current assets</b>			
Deferred tax assets	6	72	15
Available for sale financial assets – private equity investments	12	50,627	17,161
<b>Total non-current assets</b>		50,699	17,176
<b>Total assets</b>		60,530	52,656
<b>Current liabilities</b>			
Payables	13	372	266
Current tax liabilities	6	3,524	844
<b>Total current liabilities</b>		3,896	1,110
<b>Non-current liabilities</b>			
Deferred tax liabilities	6	1,909	2,196
<b>Total non-current liabilities</b>		1,909	2,196
<b>Total liabilities</b>		5,805	3,306
<b>Net assets</b>		54,725	49,350
<b>Equity</b>			
Issued capital	14	41,889	41,769
Reserves	14	2,602	583
Retained profit		10,234	6,998
<b>Total equity</b>		54,725	49,350

# Cash Flow Statement

For the year ended 30 June 2007	Note	2007 \$'000	2006 \$'000
<b>Cash flows from operating activities</b>			
Dividends received		976	1,470
Distributions received		3,588	884
Interest received		68	191
Other income received		27	15
Interest paid		(32)	(31)
Income tax paid		(719)	(153)
Withholding tax paid		-	(2)
Payments to suppliers and directors		(941)	(871)
<b>Net cash flows from operating activities</b>	<b>9</b>	<b>2,967</b>	<b>1,503</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of financial assets held at fair value through profit and loss		50,142	22,635
Purchases of financial assets held at fair value through profit and loss		(17,412)	(15,226)
Proceeds from capital returned on available for sale financial assets		540	2,047
Purchases of available for sale financial assets		(30,812)	(12,588)
<b>Net cash flows from/(used in) investing activities</b>		<b>2,458</b>	<b>(3,132)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of ordinary shares		120	28
Dividends paid		(2,833)	(1,758)
<b>Net cash flows used in financing activities</b>		<b>(2,713)</b>	<b>(1,730)</b>
Net increase/(decrease) in cash held		2,712	(3,359)
Opening cash brought forward		2,149	5,508
<b>Closing cash carried forward</b>	<b>9</b>	<b>4,861</b>	<b>2,149</b>

## Statement of Changes in Equity

<b>For the year ended 30 June 2007</b>	Issued Capital \$'000	Retained Earnings \$'000	Asset Reval. Reserve \$'000	Total \$'000
<b>At 1 July 2005</b>	41,741	2,630	(410)	43,961
Issue of share capital	28	-	-	28
Dividends paid during the period	-	(1,757)	-	(1,757)
Unrealised gain on available for sale financial assets	-	-	1,585	1,585
Income tax on items taken directly to equity	-	-	(592)	(592)
	41,769	873	583	43,225
Net profit for the period	-	6,125	-	6,125
<b>At 30 June 2006</b>	41,769	6,998	583	49,350
<b>At 1 July 2006</b>	41,769	6,998	583	49,350
Options exercised during the period	120	-	-	120
Dividends paid during the period	-	(2,833)	-	(2,833)
Unrealised gain on available for sale financial assets	-	-	3,100	3,100
Income tax on items taken directly to equity	-	-	(1,081)	(1,081)
	41,889	4,165	2,602	48,656
Net profit for the period	-	6,069	-	6,069
<b>At 30 June 2007</b>	41,889	10,234	2,602	54,725

## Notes

### Year ended 30 June 2007

#### 1. Corporate Information

The financial report of ING Private Equity Access Limited for the year ended 30 June 2007 was authorised for issue in accordance with a resolution of the board of directors on 23 August 2007.

ING Private Equity Access Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The nature of the operations and principal activities of the Company are making long-term investments in private equity funds and investments in Australian listed equities.

#### 2. Summary of significant accounting policies

##### (a) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Boards and the Corporations Act 2001.

The financial report has been prepared on a historical cost basis, except for derivative financial instruments, financial assets held at fair value through profit and loss and available for sale financial assets that have been measured at fair value. The carrying values of recognised assets and liabilities that are hedged with fair value hedges are adjusted to record changes in the fair values attributable to the risks that are being hedged.

The financial report is presented in Australian Dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the company under ASIC Class Order 98/100. The Company is an entity to which the class order applies.

##### (b) Statement of compliance

The financial report complies with Australian Accounting Standards, which include Australian equivalent to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

The Company plans to adopt AASB7 and AASB2005-10 in the 2008 financial year. The Company has not adopted these standards early as the application of these standards will not affect the amounts recognised in the financial statements but will impact the type of information disclosed in relation to the Company's financial instruments.

Certain Australian Accounting Standards and UIG interpretations have recently been issued or amended but are not effective and have not been adopted by the Company for the annual reporting period ended 30 June 2007. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the company) and interpretations.

## Notes (continued)

### 2. Summary of significant accounting policies (continued)

#### (c) Cash and cash equivalents

Cash and short-term deposits in the Balance Sheet comprise cash at bank and cash in an unlisted cash trust.

For the purposes of the Cash Flow Statement, cash includes cash at banks, and money market investments that are readily convertible to cash within two working days, including an unlisted cash trust.

#### (d) Receivables

Trade receivables and outstanding settlements are recognised and carried at original invoice amounts less an allowance for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Receivables from related parties are recognised and carried at the nominal amount due. Interest is taken up as income on an accrual basis.

#### (e) Investments

The Company has “available for sale” financial assets comprising private equity funds, venture capital limited partnerships and private companies, and financial assets “held at fair value through profit and loss” comprising listed investments.

Both available for sale and financial assets held at fair value through profit and loss are initially recognised at cost, being the fair value of the consideration given. Acquisition charges associated with available for sale investments are included in the cost. Acquisition charges associated with financial assets held at fair value through profit and loss are expensed to the Income Statement.

After initial recognition, held at fair value through profit and loss and available for sale investments are measured at fair value. Gains or losses on investments held at fair value through profit and loss are recognised in the Income Statement.

Unrealised gains or losses on available for sale investments are recognised as a separate component of equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the Income Statement.

For investments that are actively traded in organised financial markets, fair value is determined by reference to Stock Exchange quoted bid prices at the close of business on the balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Company commits to purchase the asset.

## Notes (continued)

### 2. Summary of significant accounting policies (continued)

#### (f) Recoverable amount of assets

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

#### (g) Payables

Liabilities for trade creditors, outstanding settlements and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the company.

Payables to related parties are carried at the principal amount.

#### (h) Provisions

A provision for dividends is not recognised as a liability unless the dividends are declared, determined or publicly recommended on or before the reporting date.

#### (i) Contributed equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

#### (j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

##### *Sale of Investments*

Revenue is recognised when the significant risks and rewards of ownership of the investments have passed to the buyer and can be measured reliably. Risks and rewards are considered passed to the buyer at the date the investment is traded on the organised financial market on which they are quoted.

##### *Interest*

Interest revenue is brought to account on an accruals basis as it is earned.

##### *Dividends and distributions*

Dividends and distributions from listed companies and listed trusts are brought to account on the date that the shares or units are traded “ex-dividend” or “ex-distribution”. Unlisted cash trust distributions are brought to account on a “present entitlement” basis.

Distributions from private equity investments are brought to account on a “receipts” basis.

## Notes (continued)

### 2. Summary of significant accounting policies (continued)

#### (k) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the balance sheet date.

Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference and the carry-forward of unused tax assets and unused tax losses can be utilised.

In calculating the current and deferred tax assets and liabilities, the Company can only use estimates of income components provided by the underlying investment managers at the time of distribution which are subject to finalisation after the date of signing the financial statements. Therefore, it is possible that there will be an adjustment in the next financial period relating to this year's income tax expense and any adjustment will be shown in the notes to the financial report.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the Income Statement.

#### (l) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

## Notes (continued)

### 2. Summary of significant accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

#### **(m) Derivative financial instruments**

The Company may enter into futures contracts or purchase options with the objective of decreasing its exposure to a possible loss. The fair values of derivative financial instruments are determined by reference to their quoted market prices at the balance sheet date without any deduction for estimated future selling costs.

Futures contracts are recognised at the date the contract is entered into. Gains and losses on futures contracts are recognised in the net profit except those relating to hedges of specific investments that are deferred and included in the measurement of the sale or purchase.

#### **(n) Foreign currency translation**

Both the functional and presentation currency of ING Private Equity Access Limited is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

#### **(o) Earnings per share (EPS)**

Basic EPS is calculated as net profit attributable to members, divided by the weighted average number of ordinary shares on issue over the relevant period.

Diluted EPS is calculated as net profit attributable to members divided by the weighted average number of ordinary shares and dilutive potential ordinary shares on issue over the relevant period.

#### **(p) Significant accounting judgements, estimates and assumptions**

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next financial reporting period are in relation to the Company's available for sale investments (private equity investments).

Available for sale investments are valued using a price per unit provided regularly by the manager of the available for sale investment (a fund, limited partnership or private company). The price per unit of a fund, partnership or company is based on valuations of the assets and liabilities within that entity, which are calculated by the manager using valuation techniques that they deem appropriate. Valuation techniques may involve methods such as the discounted cash flow techniques or price/earnings analysis. All valuation methods require assumptions to be made, for example, the estimation of future cash flows, however these assumptions are not made by the Company.

Therefore, due to the use of assumptions and differing methods of valuation used, there may be some uncertainty in relation to the valuation of the available for sale investments, however as at the date of this report, the Directors are of the belief that they are accurate, based on correspondence within the industry and from the relevant managers.

Details of available for sale investments are set out in Note 12.

## Notes (continued)

### 3. Segment information

The Company operates in one business segment: making long-term investments in private equity funds and investments in Australian listed equities.

The Company's geographical segments are determined by the location of the Company's assets and operations.

All revenues, expenses and liabilities of the Company pertain to Australian operations, however segment assets are split between Australia, New Zealand and United States of America.

<b>2007</b>	<b>Australia \$'000</b>	<b>New Zealand \$'000</b>	<b>United States of America \$'000</b>	<b>Total \$'000</b>
Revenue	9,056	93	-	9,149
Expenses	1,104	1	-	1,105
Assets	57,122	2,819	589	60,530
Liabilities	5,805	-	-	5,805

<b>2006</b>	<b>Australia \$'000</b>	<b>New Zealand \$'000</b>	<b>United States of America \$'000</b>	<b>Total \$'000</b>
Revenue	8,998	(259)	-	8,739
Expenses	921	-	-	921
Assets	51,560	1,096	-	52,656
Liabilities	3,306	-	-	3,306

### 4. Revenue

	<b>2007 \$'000</b>	<b>2006 \$'000</b>
Dividends and distributions from listed equities and listed property trusts	804	1,474
Distributions from unlisted trusts	3,618	987
Net gains on disposal of financial assets	3,749	784
Movement in unrealised gains/losses on financial assets	860	5,339
Interest	96	140
Other income	22	15
<b>Total revenue</b>	<b>9,149</b>	<b>8,739</b>

## Notes (continued)

<b>5. Other expenses</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
ASX annual listing fees	38	16
Brokerage	126	73
Foreign Exchange Settlement (gains)/losses	(4)	1
Legal fees	12	3
Registry fees	79	60
Sundry expenses	137	117
<b>Total other expenses</b>	<b>388</b>	<b>270</b>

## 6. Income tax

The major components of income tax expense are:

### Income Statement

#### *Current income tax*

Current income tax charge	3,534	844
Adjustments in respect of previous year's current income tax	(134)	(285)

#### *Deferred income tax*

Adjustments in respect of previous year's deferred tax balances	-	26
Relating to origination and reversal of temporary differences	(1,425)	1,108
<b>Income tax expense reported in the income statement</b>	<b>1,975</b>	<b>1,693</b>

### Statement of changes in equity

#### *Deferred income tax related to items charged or credited directly to equity*

Unrealised gain/(loss) on available for sale investment	1,467	385
	<b>1,467</b>	<b>385</b>

## Notes (continued)

### 6. Income tax (continued)

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate for the years ended 30 June 2007 and 2006 is as follows:

	2007 \$'000	2006 \$'000
Accounting profit before income tax	8,044	7,818
At the statutory income tax rate of 30% (2006:30%)	2,413	2,346
Adjustment in respect of current income tax in previous years #	(135)	(259)
Expenditure not allowed for income tax purposes	19	30
Income not assessable for income tax purposes	(84)	(18)
Gross up of income due to franking credits received	101	174
Franking credit rebate	(337)	(580)
Income Tax Paid	(2)	-
At effective income tax rate of 25% (2006:17%)	1,975	1,693
Income tax expense reported in Income Statement	1,975	1,693

# The income tax liability for the year ended 30 June 2006 was calculated based on tax component information provided in relation to private equity distributions received during the year. In the current period, further information was provided indicating that the distributions received during the year ended 30 June 2006 contained a large tax deferred portion, which has been adjusted for in the current year.

This late notification is in line with the trust structure of these types of investments.

	Balance Sheet		Income Statement	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Deferred income tax</b>				
Deferred income tax at 30 June relates to the following:				
<i>Deferred income tax liabilities</i>				
Outstanding dividends	19	12	7	(14)
Accrued interest	11	3	8	3
Revaluations of Financial assets held at fair value through profit and loss- listed equities	412	1,796	(1,385)	1,148
Revaluations of Financial assets held at fair value through profit and loss- available for sale investments	1,467	385		
Gross deferred income tax liabilities	1,909	2,196		

## Notes (continued)

### 6. Income tax (continued)

<i>Deferred income tax assets</i>	Balance Sheet		Income Statement	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Accrued expenses	22	15	(7)	3
Effect of franking credits on outstanding dividends	41	-	(41)	-
Revaluation of unlisted cash trust	9	-	(9)	-
Gross deferred income tax assets	72	15		
Deferred tax income			(1,425)	1,134

### 7. Earnings per share and earnings per stapled security

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	2007 \$'000	2006 \$'000
Net profit attributable to ordinary shareholders for basic and diluted earnings per share:	6,069	6,125
	Shares '000	Shares '000
Weighted average number of ordinary shares for basic earnings per share (calculated since formation)	42,947	42,877
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	42,947	42,877
Weighted average number of converted potential ordinary shares included in diluted earnings per share	42,947	42,877

Since reporting date, there have been an additional 161,537 options exercised for \$1.00 each.

## Notes (continued)

<b>8. Dividends paid and proposed</b>	2007 \$'000	2006 \$'000
<i>Declared and paid during the year:</i>		
Dividends on ordinary shares:		
Final unfranked dividend for 2006: 4.50 cents (2005: 2.35 cents fully franked)	1,930	1,007
Interim fully franked dividend for 2007: 2.10 cents (2005: 1.75 cents)	903	751
	<b>2,833</b>	<b>1,758</b>

Declared post balance date (not recognised as a liability as at 30 June):

Dividends on ordinary shares:

Final unfranked dividend for 2007: 5.40 cents (2006: 4.50 cents) <sup>#</sup>	2,332	1,930
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<sup>#</sup> The actual dollar amount of final dividend that will be paid may change depending on the number of options exercised between the date of this report and record date of the final dividend.

### *Franking credit balance*

The amount of franking credits available for the subsequent financial year are:

- franking credit balance as at the end of the financial year at 30% (2006: 30%)	730	61
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	3,524	844
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date	25	81
	<b>4,279</b>	<b>986</b>

The tax rate at which paid dividends have been franked is 30% (2006: 30%)

Dividends proposed will be unfranked.

## **9. Cash and cash equivalents**

Cash at bank	338	2,146
Units in unlisted cash trust	4,523	3
	<b>4,861</b>	<b>2,149</b>

Cash at bank earns interest at floating rates based on daily bank deposit rates.

## Notes (continued)

### 9. Cash and cash equivalents (continued)

	2007 \$'000	2006 \$'000
<b>Reconciliation of cash</b>		
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise the following at 30 June:		
Cash at bank	338	2,146
Units in unlisted cash trust	4,523	3
	<b>4,861</b>	<b>2,149</b>
<b>Reconciliation from the net profit after tax to the net cash flows from operations</b>		
Net profit	6,069	6,125
<i>Non-Cash Items</i>		
Realised (profit)/loss on financial assets held at fair value through profit and loss	(3,749)	(784)
Unrealised profit on financial assets held at fair value through profit and loss	(890)	(5,313)
Dividends Reinvested	-	(102)
<i>Changes in assets and liabilities</i>		
Decrease in trade and other receivables	4	10
(Increase)/decrease in interest receivable	(28)	24
Decrease/(Increase) in dividends receivable	175	(4)
Increase in deferred tax assets	(57)	(3)
Increase in trade and other creditors	132	7
Increase in tax provision	2,680	407
(Decrease)/Increase in deferred income tax liability	(1,369)	1,136
Net cash from operating activities	<b>2,967</b>	<b>1,503</b>

### 10. Receivables (Current)

Outstanding settlements receivable	-	168
Dividends receivable	62	237
Interest receivable	36	8
Other receivables	14	18
	<b>112</b>	<b>431</b>

## Notes (continued)

<b>11. Financial assets held at fair value through profit and loss</b>	<b>2007 \$'000</b>	<b>2006 \$'000</b>
At fair value		
Listed equities	4,858	32,900
	<b>4,858</b>	<b>32,900</b>

Financial assets held at fair value through profit and loss consist of investments in ordinary shares, and therefore have no fixed maturity date or coupon rate.

### **12. Available for sale financial assets**

At fair value

Private equity investments	50,627	17,161
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Available for sale financial assets consist of investments in private equity trusts, venture capital partnerships and ordinary shares in private companies, and therefore have no fixed maturity date or coupon rate.

### **13. Trade and other payables (current)**

Equities purchased	-	26
Other payables	186	69
	<b>186</b>	<b>95</b>
Related party payables (refer note 18)	186	171
	<b>372</b>	<b>266</b>

All payables are non-interest bearing. Trade creditors and other payables are normally settled on 30 day terms, while equities purchased are settled on a T+3 basis (3 days terms).

For terms and conditions relating to related parties refer to note 18.

The net of GST payable and GST receivable is remitted to the appropriate tax body on a quarterly basis.

## Notes (continued)

<b>14. Issued capital and reserves</b>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Ordinary shares</i>		
Issued and fully paid	41,889	41,769

The Company does not have authorised capital nor par value in respect of its issued shares. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

	<b>Shares</b>	<b>\$</b>
	<b>'000</b>	<b>'000</b>
<i>Movement in ordinary shares on issue</i>		
At 1 July 2005	42,867	41,741
Issued between 1 July 2005 and 30 June 2006 for cash on exercise of share options	28	28
At 30 June 2006	42,895	41,769
Issued between 1 July 2006 and 30 June 2007 for cash on exercise of share options	120	120
At 30 June 2007	43,015	41,889

<i>Other reserves</i>	<b>2007</b>	<b>2006</b>
	<b>\$'000</b>	<b>\$'000</b>
Asset revaluation reserve		
Opening balance	583	(410)
Net gains/(losses) on available for sale financial assets	3,100	1,585
Income tax on items taken directly to equity	(1,081)	(592)
Closing balance	2,602	583

### **Nature and purpose of reserves**

#### *Asset revaluation reserve*

This reserve records movements in available for sale financial assets to fair value.

### **Share options**

#### *Unissued shares*

As at 30 June 2007, there were 21,284,897 (2006: 21,404,964) unissued ordinary shares under options (21,123,360 as at the date of this report). Shares issued in the future due to these options being exercised will be issued by the Company for \$1.00 each and will rank equally with other issued shares of the Company.

The option exercise period ends on 31 October 2007.

#### *Shares issued as a result of the exercise of options*

During the year, shareholders have exercised the option to acquire 120,067 (2006: 28,304) fully paid ordinary shares in ING Private Equity Access Limited at an exercise price of \$1.00. Since the end of the financial year, a further 161,537 options have been exercised, at an exercise price of \$1.00.

## Notes (continued)

### 15. Financial risk management objectives and policies

The Company's principal financial instruments comprise ordinary listed shares, units in unlisted private equity trusts and unlisted unit trusts, and interests in venture capital limited partnerships.

The main purpose of these financial instruments is to invest in private equity investments, or to hold cash in an income earning environment until it is called by the private equity investments.

The group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Company's financial instruments is investment and market price risk. Other forms of risk which may affect the Company are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board reviews and agrees policies for managing this risk and they are summarised below.

#### *Investment Risk*

Prior to committing to a private equity investment, the Board considers detailed submissions from the Manager based on extensive due diligence with regard to, but not limited to:

- Management and investment team skills and experience, qualifications, carry and fees ;
- Investment structure and conditions of application (including required commitment level);
- Past performance & future projections (including investment timeframe)
- Past experiences and current reputation of investing with the manager;
- Other investments in the ING Private Equity Access portfolio

#### *Market Price Risk*

At the discretion of the Manager, the Company utilises derivative financial instruments to reduce market price risk. A derivative financial instrument is a contract, the price or value of which is derived from the price or value of an underlying asset, liability or index. Investments in derivatives such as options on futures are authorised investments, which are used to manage financial risks associated with the Company's investment transactions, and as a means of effecting a change in asset mix.

Investments in derivatives are not used to gear the Company's investment portfolio and they are limited to the benchmark limits as provided for in the investment management agreement.

#### *Interest rate risk*

The Company's exposure to interest rate risk is minimal, limited only to its cash holdings.

#### *Foreign currency risk*

As a result of investments in New Zealand, the Company's balance sheet can be affected by movements in the NZ\$/A\$ exchange rates. The Company does not currently hedge this exposure.

The Company also has transactional currency exposures, arising from sales or purchases of investments in New Zealand and the United States of America. Approximately 4.7% (2006: 4.8%) of the Company's investment purchases are denominated in NZD and 1.1% (2006: Nil%) are denominated in USD. Of the Company's investment sales, approximately 0.9% (2006: Nil%) are denominated in NZD, while none (2006: Nil%) of the investment sales were denominated in USD.

#### *Credit Risk*

The Company does not have any material credit risk to any single debtor or group of debtors.

#### *Liquidity Risk*

The Company's objective is to maintain a balance between continuity of funding and flexibility through investments in ordinary listed equities and unlisted unit trusts.

## Notes (continued)

### 16. Financial instruments

#### Fair values

Set out below is a comparison by category of carrying amounts and fair values of all of the Company's financial instruments that are carried in the financial statements at other than fair values.

	Carrying amount		Fair value	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<i>Financial assets</i>				
Cash	4,861	2,149	4,861	2,149
Receivables	112	431	112	431
Financial assets held at fair value through profit and loss	4,858	32,900	4,858	32,900
Available for sale financial assets	50,627	17,161	50,627	17,161
	60,458	52,641	60,458	52,641
<i>Financial liabilities</i>				
Trade and other payables	372	266	372	266
	372	266	372	266

Market values have been used to determine the fair value of listed financial assets held at fair value through profit and loss.

Fair value of available for sale financial assets has been determined by the underlying fund investment manager.

#### Interest rate risk

The following table sets out the carrying amount, by maturity, of the financial instruments that are exposed to interest rate risk:

	2007 \$'000	2006 \$'000
<i>Floating rate (less than one year)</i>		
Cash assets	4,861	2,149

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. The weighted average interest rate is 6.15% (2006: 5.45%).

The other financial instruments of the Company that are not included in the above table are non-interest bearing and are therefore not subject to interest rate risk.

## Notes (continued)

### 17. Commitments and contingencies

	2007 \$'000	2006 \$'000
<b>Capital commitments</b>		
Estimated capital commitments contracted for at reporting date, but not provided for:	57,846	59,002

These commitments reflect the capital commitment in respect of future investments in current private equity investments held. Due to the inherent nature of private equity investments, the timeframe of these commitments can not be predicted because capital can be called by investment managers at any time, however it is highly unlikely that the Company would be required to pay all of their private equity investments at one time.

The Company intends to finance the future payments of these commitments, if required, by:

- Sales of the listed equity portfolio;
- Dividends and distributions from listed equities, the unlisted cash trust and private equity investments;
- Capital raised from additional equity raisings, the dividend reinvestment plan and option exercises; or
- Debt instruments.

### Contingent liabilities and contingent assets

#### (a) Contingent liabilities

As at the date of this report, the company has no contingent liabilities.

#### (b) Contingent assets

As at the date of this report, the company has no contingent assets.

### 18. Related party disclosure

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

<i>Related party</i>		Purchases from related parties \$'000	Amounts owed by related parties \$'000	Amounts owed to related parties \$'000
Director related entity:				
ING Investment Management Limited	2007	647	-	168
	2006	581	-	153
Directors of the company:				
	2007	-	-	18
	2006	-	-	18

## Notes (continued)

### 18. Related party disclosure

#### Terms and conditions of transactions with related parties

##### *Management Agreement*

##### *Management Fee*

In consideration for the services provided under the Management Agreement, the Manager is entitled to a Management Fee of 0.0833% of the value of the Portfolio calculated on the last business day of each month (being a fee of 1% per annum of the value of the Portfolio) and paid no less frequently than quarterly.

##### *Administration Fee*

In consideration for providing administration services to the Company, the Manager is entitled to receive a fee of \$80,000 per annum (plus any applicable GST), as adjusted on a yearly basis having regard to movements in the Consumer Price Index. The parties will, in good faith, renegotiate the amount of the Administration Fee every three years.

Purchases from related parties are made in arms length transactions at both normal market prices and normal commercial terms.

Outstanding balances at year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables.

### 19. Events after the Balance Sheet date

On 17 August 2007, the directors of the Company declared a final dividend on ordinary shares in respect of the 2007 financial year. The total amount of the dividend is \$2,329,774<sup>#</sup> which represents an unfranked LIC capital gain dividend of 5.4 cents per share. The dividend has not been provided for in the 30 June 2007 financial statements.

The Company is putting in place a \$20 million, 364 day cash advance facility to ensure it's commitments are able to be efficiently funded as and when required (refer Note 17). As at the date of this report, the facility is undrawn.

<sup>#</sup> The actual dollar amount of final dividend that will be paid may change depending on the number of options exercised between the date of this report and record date of the final dividend.

### 20. Auditors' remuneration

	2007	2006
	\$	\$
Amounts received or due and receivable by Ernst & Young Australia for:		
Audit and review of the financial report of the entity (current year)	55,105	30,000
Audit and review of financial report report of the entity (prior year)	13,260	-
Other services in relation to the entity		
- tax compliance	4,500	4,500
	<u>72,865</u>	<u>34,500</u>

## Notes (continued)

### 21. Director and executive disclosures

#### (a) Details of Key Management Personnel

##### (i) Directors

Director Name	Position	Appointment date	Re-appointment date (Due to rotation)
Geoff Brunsdon	Chairman (Independent, Non-Executive)	3 February 2004	28 October 2005
Jon Schahinger	Managing Director	3 February 2004	-
Grant Bailey	Executive Director	3 February 2004	19 October 2006
Don Stammer	Independent and Non- Executive Director	3 February 2004	19 October 2006

##### (ii) Executives

Other than the Directors there were no key management personnel during the year.

#### (b) Compensation of key management personnel

##### (i) Compensation Policy

It is not the intention of the Board to establish a Remuneration Committee at this stage. In the event that the Board deems it necessary, one will be established. There is no link between remuneration paid to Directors and corporate performance. The Managing Director Mr Jon Schahinger, who is remunerated by the Investment Manager, is entitled to a performance based payment of 20% of any performance fees the Investment Manager receives from the Company.

##### (ii) Aggregate of income received or due and receivable by key management personnel:

	Primary salary and fees \$	Total \$
<b>2007</b>		
Geoff Brunsdon	40,000	40,000
Jon Schahinger	-	-
Grant Bailey	-	-
Don Stammer	30,000	30,000
Total Compensation	70,000	70,000

## Notes (continued)

### 21. Director and executive disclosures (continued)

2006	Primary salary and fees \$	Total \$
Geoff Brunsdon	40,000	40,000
Jon Schahinger	-	-
Grant Bailey	-	-
Don Stammer	30,000	30,000
Total Compensation	70,000	70,000

No director has received a share based payment (including options) or other long term benefit during the year ended 30 June 2007 (2006: \$Nil).

#### (c) Option holdings of key management personnel

	Balance at beginning of period 1 July '06	Purchased during the period	Balance at end of period 30 June '07	Vested and exercisable
Geoff Brunsdon	90,000	-	90,000	90,000
Jon Schahinger	100,000	-	100,000	100,000
Grant Bailey	10,000	-	10,000	10,000
Don Stammer	50,000	-	50,000	50,000
Total	250,000	-	250,000	250,000

No options have been exercised by Directors since issue.

#### (d) Shareholdings of key management personnel

Shares held in ING Private Equity Access Limited

	Balance at beginning of period 1 July '06	Purchases and (sales) during the year	Balance at end of period 30 June '07
Geoff Brunsdon	180,000	140,000	320,000
Jon Schahinger	240,000	35,000	275,000
Grant Bailey	20,000	-	20,000
Don Stammer	130,000	35,000	165,000
Total	570,000	210,000	780,000

All equity transactions by key management personnel have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arms length. No equity was granted to a Director during the reporting period as compensation.

## Notes (continued)

### 21. Director and executive disclosures (continued)

#### **(e) Other transactions and balances with specified directors**

165,000 shares and 50,000 options are held by Meroma Pty Limited. Don Stammer is a Director of Meroma Pty Limited.

420,000 shares are held by Jesena Pty Limited. Geoff Brunsdon is a Director of Jesena Pty Limited.

## Directors' Declaration

In accordance with a resolution of the directors of ING Private Equity Access Limited, I state that:

1. In the opinion of the directors:
  - (a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Company's financial position as at 30 June 2007 and of its performance for the period ended on that date; and
    - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declaration required to be made to the directors in accordance with section 295A of the Corporations Act 2001 for the year ended 30 June 2007.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Geoff Brunsdon', followed by a long horizontal line extending to the right.

Geoff Brunsdon  
Chairman

Sydney  
23 August 2007

## **Independent auditor's report to the members of ING Private Equity Access Limited**

We have audited the accompanying financial report of ING Private Equity Access Limited (the company), which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

### *Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies 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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

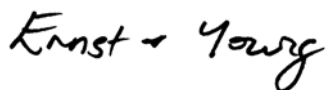
### *Independence*

In conducting our audit we have met the independence requirements of the Corporations Act 2001. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included on page 9 of the financial report. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

### *Auditor's Opinion*

In our opinion:

1. the financial report of ING Private Equity Access Limited is in accordance with:
  - (a) the Corporations Act 2001, including:
    - (i) giving a true and fair view of the financial position of ING Private Equity Access Limited at 30 June 2007 and of its performance for the year ended on that date; and
    - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
  - (b) other mandatory financial reporting requirements in Australia.
2. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.



Ernst & Young



Gamini Martinus  
Partner  
Sydney  
23 August 2007

## Additional ASX Disclosures

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 14 August 2007.

### (a) Distribution of equity securities

The number of shareholders, by size of holding, are:

			Shares		Options	
			Number of holders	Number of shares	Number of holders	Number of options
1	–	1,000	45	28,489	422	406,709
1,001	–	5,000	1,141	3,763,523	1,406	4,308,152
5,001	–	10,000	657	5,721,704	287	2,482,031
10,001	–	100,000	624	16,625,122	265	7,004,706
100,001	and over		32	43,176,444	19	6,921,762
			<b>2,499</b>	<b>43,176,444</b>	<b>2,399</b>	<b>21,123,360</b>
The number of shareholders holding less than a marketable parcel of securities are:			13	2,488	2,232	8,788,561

### (b) Twenty largest security holders

The names of the twenty largest holders of quoted securities are:

		Listed shares	
		Number of shares	Percentage of shares on issue
1	ANZ Nominees Limited	5,297,953	12.27%
2	Mr Richard Hamilton Bartlett	1,859,076	4.31%
3	UBS Nominees Pty Ltd	1,341,606	3.11%
4	UBS Wealth Management Australia Nominees Pty Ltd	1,264,000	2.93%
5	Mr Andrew John Switajewski	1,180,000	2.73%
6	Issac Paul Ergas & Patrick Christian Paul Ergas	810,720	1.88%
7	HSBC Custody Nominees (Australia) Limited	510,000	1.18%
8	Cogent Nominees Pty Limited	478,893	1.11%
9	Mr Kenneth John Butterfield	330,000	0.76%
10	Jesena Pty Ltd	320,000	0.74%
11	Investment Custodial Services Limited	314,338	0.73%
12	EJ Hart Group Pty Ltd	300,000	0.69%
13	Mr Jon Douglas Schahinger & Dr Elizabeth Mary Frank	275,000	0.64%
14	Bond Street Custodians Limited	250,000	0.58%
15	Mr David Graham Clark	200,000	0.46%
15	Mr Victor John Plummer	200,000	0.46%
17	Meroma Pty Limited	165,000	0.38%
18	JP Morgan Nominees Australia Limited	155,906	0.36%
19	Decision Portfolio Services Pty Ltd	150,372	0.35%
20	Rasma Holdings Pty Ltd	150,000	0.35%

20	Mr Willem Bartus Josef Slot	150,000	0.35%
20	Mr Willem Bartus Josef Slot & Mrs Hanna Slot	150,000	0.35%
20	Mr Jon Douglas Whitfield Story	150,000	0.35%
		16,002,864	37.06%

*(c) Substantial shareholders*

The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

	<b>Number of shares</b>
ANZ Nominees Limited	5,297,953

*(d) Voting rights*

All shares (whether fully paid or not) carry one vote per share without restriction.

*(e) Use of cash and assets in a form readily convertible to cash*

The company used the cash, and assets in a form readily convertible to cash, on hand at the time of admission to the Australian Stock Exchange in a manner that was consistent with its business objectives.

*(f) Brokerage and Investment Transactions*

During the period, the company paid approximately \$125,841 (2006: \$72,693) in brokerage costs relating to 1,488 (2006: 793) investment transactions

*(g) Management Agreement*

ING Private Equity Access Limited has appointed ING Investment Management Limited as the manager of the company.

The Company has appointed the Manager to:

1. invest and manage the Portfolio in accordance with the terms of the Agreement; and
2. perform various administration services, specifically:
  - preparing financial statements required to be issued by the company;
  - assisting the company to carry out company secretarial functions, including arranging meeting of shareholders of the Company and liaising with the Company's share registry;
  - assistance in preparing communications to shareholders of the Company;
  - assistance in preparing income tax returns and maintaining tax related records for the Company; and
  - arranging the establishment and maintenance of a website for the Company.

In consideration of the services provided under the Agreement, the Manager is entitled to a Management Fee of 0.0833% of the value of the Portfolio calculated on the last business day of each month (being a fee of 1% per annum of the value of the Portfolio), and paid no less frequently than quarterly.

Management and administration fees paid or accrued during the reporting period were \$647,082.33 (2006: \$580,708.42).

*(h) Investment Portfolio*

The investments held by ING Private Equity Access Limited are:

**Private Equity Investments**

Archer Capital Fund 3  
Archer Capital Fund 4  
Catalyst Buyout Fund 1  
CM Capital Venture Trust 4  
Deutsche Private Equity Fund II  
Dilithium Networks  
Direct Capital Partners III  
Hastings Private Equity Fund II

Ironbridge Capital 2003/4 Fund  
NBC Private Equity Fund II  
Next Capital Health Group  
Pacific Equity Partners Fund III  
Pacific Equity Partners Fund IV  
Quadrant Private Equity 1  
Quadrant Private Equity 2  
Wolseley Partners Fund I

**Australian Listed Equities**

CathRX Limited