

## **ING Private Equity Access Limited**

ABN 48 107 843 381

### **Preliminary Final Report For the period ending 30 June 2008**

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#### ***ING Private Equity Access Limited enjoys strong realised returns***

Australia's first listed private equity fund of funds produced a solid result in a difficult market – generated by some early realised gains on its private equity portfolio. Significant events during the year included:

- Continued private equity exit activity with eight exits resulting in an average uplift of 41% on their carrying values and healthy cash returns
- Total dividends of 7.95 cps – an increase of 6% over the prior year
- Further private equity commitments to ensure continued diversification
- Raised capital totalling \$16.4 million via the exercise of options and a small placement
- Introduction of a dividend re-investment plan
- Strategic decision to invest capital raised in cash, rather than listed equities, validated by relative performance

The Company's Chairman, Mr Geoff Brunson commented, "in a tumultuous year on global financial markets the Company produced a very pleasing result, enjoying a number of realisations at prices that validate our view of significant "hidden value" in the portfolio."

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**ASX Disclosures as required by ASX Listing Rule 4.3A**

1. This preliminary final report is for the reporting period from 1 July 2007 to 30 June 2008. The corresponding period relates to the period from 1 July 2006 to 30 June 2007.
2. Results for announcement to the market:

2.1	Revenue from ordinary activities (\$'000)	Down	56%	4,034
2.2	Profit from ordinary activities after tax attributable to members (\$'000)	Down	74%	1,597
2.3	Net profit for the period attributable to members (\$'000)	Down	74%	1,597
2.4	2008 Dividends: Interim Dividend (100% franked) paid 20 March 2008 Final Dividend (100% LIC gains, 100% franked) payable 30 September 2008  2007 Dividends: Interim Dividend (100% franked) paid 20 March 2007 Final Dividend (100% LIC gains, 0% franked) paid 21 November 2007	Up  -  Up  Up	21%  -  20%  20%	2.55c  5.40c  2.10c  5.40c
2.5	Record date for determining 2008 final dividend entitlement	11 September 2008		
2.6	Brief Explanation: Refer Board Statement (attached)			

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	Total Dividend Payment ('000)
F2007 Final	21 November 2007	5.40	-	100%	3,209
F2008 Interim	20 March 2008	2.55	100%	-	1,536
F2008 Final	30 September 2008	5.40	100%	100%	3,280

7. Dividend Reinvestment Plan – a Dividend Reinvestment Plan is currently in operation. The last date for the receipt of an election notice for participation in the Dividend Reinvestment Plan is the Record Date: 11 September 2008
8. Retained Earnings – refer attached Statement of Changes in Equity.
9. Net tangible assets per share:

<b>Period</b>	<b>NTA per share before tax</b>	<b>NTA per share after tax</b>
30 June 2007	\$1.40	\$1.27
30 June 2008	\$1.12	\$1.09

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.

29 August 2008

## ***ING Private Equity Access Limited enjoys strong realised returns***

### **Financial Result**

The Company's net earnings slowed over the year with after tax profit at 30 June 2008 of \$1.6 million (2007: \$6.1 million). Strong results from realised gains in the private equity portfolio and interest from cash holdings were partly offset by a decline in the unrealised value of the Company's sole listed holding and a modest impairment charge. Unrealised movements in private equity values (except for any impairment) are reflected in the balance sheet rather than through the income statement. In contrast to this result, prior year profits were largely generated by earnings on the Company's listed equity portfolio in buoyant sharemarket conditions. In line with the Company's strategy, the listed equity holdings were liquidated during July 2007. Additional capital raised at the end of October has not been subject to market fluctuations following the Board's decision to keep it in cash for the short-term, rather than invest into the volatile share market – a prudent decision in light of market movements over the period.

### **Dividends**

The Company's dividend policy is to distribute, through dividends, as much of the realised profit that it considers prudent. In line with this policy and utilising a portion of realised retained earnings, the Board has declared a final fully franked dividend of 5.40 cents per share (2007: 5.40 cents per share) which will be paid on 30 September 2008, with a record date of 11 September 2008. The dividend will consist of 100% LIC capital gains in addition to the imputation credits – an enhanced tax benefit for certain shareholders. When combined with the interim dividend of 2.55 cents per share paid on 20 March 2008, the total of 7.95 cents per share is 6% higher than the prior comparative period.

The private equity component of the portfolio now dominates the investment exposure and the volatile near term outlook for financial markets may mean that there is limited sale activity by our private equity managers with a consequent impact on realised profits. Investors should be aware that the Company's profits and dividends are expected to fluctuate and there may be some periods where smaller or no dividends are declared.

### **Net Asset Backing**

The underlying value of the portfolio is captured in the monthly net tangible assets (NTA) results disclosed to the ASX. Audited pre tax NTA at the start of the period was \$1.40 (\$1.27 post tax) and finished the year at \$1.12 (\$1.09 post tax). The decline in the absolute level of the NTA results from:

- the issue of additional shares at \$1.00 per share from the exercise of options and the small placement;
- shares issued from dividend reinvestment at varying prices;
- 7.95 cents per share (post tax) paid out in dividends; and

- a minor decline in unrealised value in the investment portfolio

The number of shares on issue at 30 June 2008 was 60.7 million (2007: 43.2 million).

The private equity and cash components made a positive contribution and offset the negative contribution from the Company's single listed equity co-investment holding, to give a pre tax, investment portfolio positive return of 1.3% for the year. The post tax performance of the Company based on Net Asset Value was a negative return of 1.9% after all costs. The timing of the reduction of the portfolio of listed equity holdings in July 2007 and the Board's decision to invest surplus funds in cash rather than the listed market at the time of expiry of the options in October 2007 were also opportune given listed market performance. For reference, the S&P/ASX300 All Ordinaries Accumulation index declined by 13.7% over the year.

Since the company listed, its pre-tax NTA (including dividend payments and after allowing for the increase in shares on issue) has increased by 66.1% or an annualised 15.2%

## **Capital Management**

The expiry date of the Company's outstanding options was 31 October 2007. Approximately 66% of the options originally issued were exercised at \$1.00 per share by that date and, combined with a small placement, raised a total of \$16.4 million. The Company also has a \$20 million standby debt facility (which has been unused to date) and shareholders approved a dividend re-investment plan. The Company's initial standby debt facility will expire on 31 August 2008 and has been rolled over for another one year term. The expectation is that the facility will be partly utilised during the 2008/2009 financial year, given the current exposure to private equity and expected cash flows, with a consequent impact on financial results.

The Company has been 'over-committing' its capital base since inception, whilst ensuring a program of vintage diversification. Commitments at balance date totalled \$116 million with amounts outstanding of \$49 million to be called down over many years. The purpose of this over-commitment policy is to achieve and to 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). Projecting the patterns of private equity draw-downs and returns will always be imprecise and we will continue to monitor our positions to try and maximise returns from the investment portfolio.

## **Investment Portfolio**

The Company's primary focus is to build a diversified portfolio of institutional-grade private equity funds. Over the year, the Company's private equity commitments were largely unchanged, with the sole addition of a \$10.0 million commitment to Wolseley Partners II, an existing portfolio relationship. Subsequent to balance date, the Company announced a further \$10 million commitment to the next fund of an existing portfolio manager – NBC Capital – taking the overall portfolio commitments since inception to \$126 million.

The summary of the portfolio as at 30 June 2008 is:

Fund name	Investment stage focus	Fund size	Committed	Capital Drawn	Capital to be drawn	Cash Back
		\$m	\$m	\$m	\$m	\$m
Archer Capital Fund 3	MBO	450.0	7.5	6.4	1.1	3.9
Archer Capital Fund 4	MBO	1,360.0	10.0	1.4	8.7	0.0
Catalyst Buyout Fund 1	MBO	390.0	8.0	7.6	0.4	0.6
CM Capital Venture Trust No 4	Early Stage	153.5	8.0	2.6	5.4	0.0
Direct Capital Partners III (\$A equiv)	Exp / MBO	52.0	6.3	3.9	2.4	2.4
Hastings Private Equity Fund II	Exp / MBO	180.5	8.0	6.3	1.7	3.1
Ironbridge Capital 2003/4 Fund	MBO	450.0	5.0	4.2	0.8	3.3
NBC Private Equity Fund II	Exp / MBO	98.0	6.0	5.1	0.9	0.6
Pacific Equity Partners III	MBO	1,275.0	8.0	6.3	1.7	0.6
Pacific Equity Partners IV	MBO	4,060.0	10.0	1.6	8.4	0.0
Propel Private Equity Fund II <sup>(2)</sup>	Exp / MBO	70.8	3.4	3.2	0.2	2.8
Quadrant Private Equity Fund No.1	Exp / MBO	265.0	8.0	7.0	1.0	1.6
Quadrant Private Equity Fund No.2	Exp / MBO	500.0	10.0	4.1	5.9	0.0
Wolseley Partners Fund I	Exp / MBO	107.4	8.0	7.2	0.9	0.0
Wolseley Partners Fund II	Exp / MBO	235.0	10.0	0.3	9.8	0.0
<b>Totals</b>			<b>116.3</b>	<b>67.1</b>	<b>49.2</b>	<b>19.0</b>

Note 1- numbers subject to rounding

Note 2 – previously Deutsche Private Equity Fund II

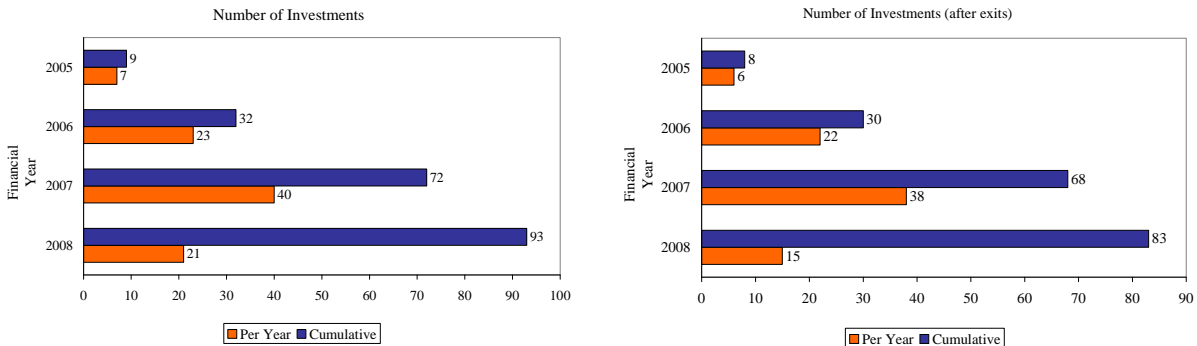
Note 3 – “Exp / MBO” means expansion capital and management buy-outs

The private equity exposure increased by 3.8% to 88% over the year, net of eight realisations in the portfolio. Each of these were at or above the holding cost and some substantially so. On average, these realisations resulted in an uplift of 41% in the carrying value of the individual investments.

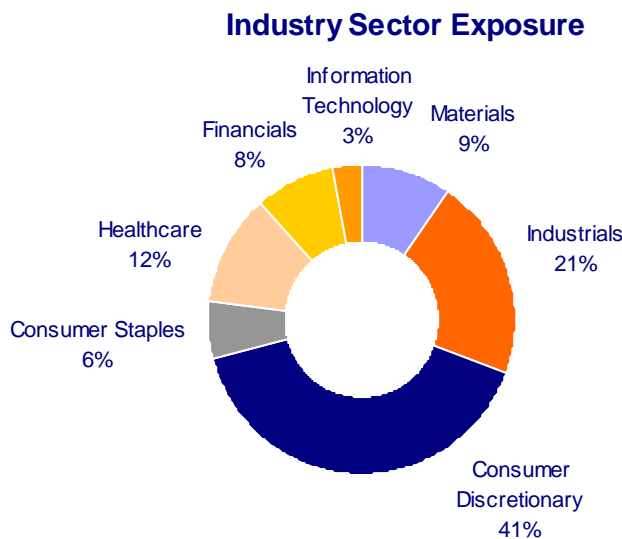
We have previously argued (see the release to the ASX of 22 October 2007 titled “Private Equity: Hidden or Opaque Value?”) that the NTA is perhaps a conservative indication of the true underlying value of the Company’s assets. This view has been validated by realisations undertaken within the Company over the financial year. We are conscious that the market is not reflecting this view on value in the Company’s share price. However, validation of the position was demonstrated by the takeover by an institutional investor of the other private equity fund of funds listed on the ASX at a price around its stated post-tax NTA. An acquirer would only buy at this price if it could forecast an attractive long term return. The portfolio sold had considerable overlap with that of ING Private Equity Access Limited.

Despite the sales over the year, the exposure to private equity increased over the period due to new investments and additional investments into existing portfolio companies. A total of 21 new investments were made by managers, taking the total number of active investments to 83. The rate of new investment by managers has slowed since the first

half of 2007, reflecting caution and higher pricing within the debt markets combined with continued volatility within the public equity markets. Additional investment into existing portfolio companies has been active, reflecting more difficult debt markets and a desire to continue to grow the underlying companies.



The companies operate in a wide range of industries and good levels of industry diversification have been maintained:



Of the 83 unrealised investments in the portfolio at balance date, 37 were revalued, 25 remained unchanged in local currency terms (most were held for less than one year) and 21 experienced a decline in valuation over the year, resulting in a net unrealised gain for these assets in aggregate. At the fund level, 3 of 15 funds reported a decline in gross private equity valuations (realised and unrealised). An impairment analysis was undertaken as part of the year end accounting review and a small charge (approximately 1.7% of total assets) was taken to the Income Statement reflecting an assessment of capital drawn down by the private equity fund portfolio that may not be recovered (capital is drawn to fund underlying investments and to pay fees and expenses). This charge does not impact on NTA.

To keep up to date with the Company's progress and investment portfolio, investors are encouraged to visit the website at [www.ingpeal.com.au](http://www.ingpeal.com.au).

## Current Outlook

The 2007/08 financial year has proved to be a volatile period in global financial markets due to the “credit crunch” stemming from losses in the sub-prime sector of the U.S. In the Australian economy we have started to see signs of a slowdown as rising raw materials (including petrol), food prices and mortgage interest rates impact on consumer spending. Reflecting these influences, the Australian stock exchange had its worst year since 1982, down 13.7%. The Australian dollar has risen substantially impacting on non-Australian dollar denominated assets. Rising inflation and a slowing global economy have affected the local market and are expected to continue through the 2008/09 year.

New investment activity in the private equity market has moderated relative to the highs of the first half of 2007 due to caution in the debt markets, volatile equity markets, a softening economy and a lag in the adjustment of vendor expectations to the current environment. Typically our managers have managed investments through economic slowdowns before and their current portfolios contain a range of quality businesses. Looking to the future, the current market conditions are expected to provide improved opportunities for new investments once vendor expectations have been reset. A number of our established managers have raised new funds over the past two years, ensuring they have sufficient funds to capitalise on opportunities that arise.

In the near term, we expect some increased volatility in private equity valuations which are largely based on equivalent listed market multiples. The exposure to the consumer discretionary sector, whilst significant within the portfolio, is well diversified and includes exposure to a number of businesses that have historically performed well during a downturn. Changes in earnings expectations and in some cases, foreign exchange fluctuations, specifically the exposure to New Zealand assets, are also likely to have an effect.

The portfolio has experienced some pleasing exit results which formed the basis of the Company’s profits. The rate of realisations is expected to slow over the coming year and we have already seen some purchasers pull out of sale processes and planned exits put on hold.

Overall, with time for the current portfolio to mature and capital to invest opportunistically, the longer term outlook for the Company’s portfolio remains very sound.

The Company’s share price performance over the year was weak, though not out of line with much of the small-cap sector. As a consequence of the continued price weakness the Board is reviewing the Company’s investment strategy and the alternatives that may be available. We shall report on this review at the AGM.

**Annual General Meeting**

The Annual General Meeting will be held at the Amora Hotel Jamison, 11 Jamison Street, Sydney on Wednesday 15 October, 2008 at 2.30pm.

Yours sincerely,



Jon Schahinger  
Managing Director

<b><i>Summary of important dates</i></b>	
Annual General Meeting	15 October 2008
Record date for dividend entitlement	11 September 2008
Payment of dividend	30 September 2008



ING Private Equity Access Limited  
ABN 48 107 843 381

Appendix 4E Accounts to Investors  
30 June 2008

> Access > Innovation > Performance

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## Directors' Report

The Directors submit their report for the year ended 30 June 2008:

### 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 year 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.

#### 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.

### 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:

Director Name	Position	Appointment Date	Resignation Date
Grant Bailey	Non-Executive Director	3 February 2004	15 February 2008
Geoff Brunsdon	Independent, Non-Executive Director and Chairman	3 February 2004	-
David McClatchy	Non-Executive Director	15 February 2008	-
Jon Schahinger	Managing Director	3 February 2004	-
Don Stammer	Independent and Non-Executive Director	3 February 2004	-

#### Qualifications

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

#### Grant Bailey – Non-Executive Director

Grant Bailey is currently the Chief Executive Officer for ING Investment Management in Dubai. From January 2003 until September 2007 he was the Chief Executive Officer of ING Investment Management in Australia. 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.

## Directors' Report (continued)

### Director Information (continued)

#### Qualifications (continued)

#### 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 is chairman of ING Private Equity Access Ltd. He was a member of the listing committee of the Australian Stock Exchange between 1993 and 1997. He is a Chartered Accountant, a member of the Takeovers Panel, a Fellow of FINSIA and a Fellow of the Institute of Company Directors. Geoff is also a Chairman of Redkite (formerly known as Malcolm Sargent Cancer Fund for Children in Australia) and a Director of Purves Environmental Custodians and of the Wentworth Group of Concerned Scientists.

#### David McClatchy – Non-Executive Director

David is responsible for ING Investment Management's (INGIM) business and investment strategy in Australia. David joined INGIM Australia in July 2004 as Chief Investment Officer and Deputy Chief Executive Officer and was appointed CEO on 1 October 2007, however he has been with the ING Group for the past 15 years. David is a Director of the Executive Board of INGIM Australia and a member of the Regional Investment Board of ING Investment Management Asia Pacific. Prior to joining ING David held various senior roles in banking and securities businesses in both New Zealand and London.

#### 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 joint 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 almost 20 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.

#### 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)

### Director Information (continued)

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

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

Director Name	Number of Ordinary Shares
Grant Bailey	30,000
Geoff Brunsdon	460,000
David McClatchy	-
Jon Schahinger	450,000
Don Stammer	245,000

#### Directors' meetings

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

Director Name	Directors' Meetings		Meetings of Committees: Audit & Compliance	
	Held	Attended	Held	Attended
Grant Bailey	5	3	-	-
Geoff Brunsdon	9	9	4	4
David McClatchy	4	4	-	-
Jon Schahinger	9	9	-	-
Don Stammer	9	9	4	4

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

### Company Secretaries

The names of the Company Secretaries in office during the year were:

Secretary Name	Appointment Date	Resignation Date
Graham Batten	21 November 2006	-
Chris Hadjia	9 May 2008	-
Peter McDonald	6 April 2006	19 March 2008

## Directors' Report (continued)

### Review and results of operations

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

#### Operating results for the year

Net profit for the Company for the year was \$1,597,230 (2007: \$6,069,931) after providing for income tax.

<u>Earnings per share for the reporting period (EPS)</u>	<u>2008</u> cents	<u>2007</u> cents
EPS based on the weighted average number of ordinary shares		
Basic earnings per share	2.92	14.13
Diluted earnings per share	2.92	14.13

<u>Dividends</u>	<u>Cents/ share</u>	<u>\$'000</u>
Final dividends recommended on ordinary shares		
Dividends paid during the year:		
Final for 2007 shown as paid in the 2008 report	5.40	3,209
Interim for 2008 shown as paid in the 2008 report	2.55	1,536
Final for 2008 shown as recommended in the 2008 report	5.40	3,280

#### 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

On 29 August 2008, the Directors of the Company declared a final dividend on ordinary shares in respect of the 2008 financial year. The total amount of the dividend is \$3,280,147 which represents an fully franked LIC capital gain dividend of 5.4 cents per share. The dividend has not been provided for in the 30 June 2008 financial statements.

The Company put in place a 1 year cash advance facility expiring in August 2009 to replace a similar facility in place during the 2008 financial year. The facility is a \$20 million, 364 day cash advance facility which was established 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 has remained undrawn.

There have been no other events since balance date which have had a significant effect on the Company or its financial statements, other than those set out above.

#### Likely developments and expected results

The Directors anticipate that the 2009 financial year will be a period where increasing amounts are exposed to the Company's private equity investments as the portfolio continues to grow. Amounts exposed to other assets are expected to consequently decrease. Given the ongoing volatility in financial markets, the number of sales of underlying investments in the private equity portfolio may be modest which could reduce the Company's short term profitability and amounts available for dividends. The Company will continue to assess further possible private equity investments and subject to the Company's investment philosophy, liquidity position and external market conditions, will continue to make additional private equity commitments.

## Directors' Report (continued)

### Review and results of operations (continued)

#### 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. 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 has insurance contracts in respect of Directors' and officers' liability as well as in respect of legal expenses.

The insurance relates to:

- costs and expenses incurred by the relevant officers in defending proceedings, 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 confidential under the terms of the insurance contract. The Company has not indemnified the auditor of the Company.

### Share options

#### Unissued shares

As at 30 June 2008, there were no unissued ordinary shares under options. A prior option exercise period ended on 31 October 2007, at which time 7,365,173 options expired.

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

During the year, shareholders have exercised options to acquire 13,919,724 (2007: 120,067) fully paid ordinary shares in ING Private Equity Access Limited at an exercise price of \$1.00 per share.

### 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.

## Directors' Report (continued)

### Remuneration report - audited

#### Remuneration policy

This remuneration report outlines the director and executive remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of this report, key management personnel of the Company are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director. For the purposes of this report, the term 'executive' encompasses the Managing Director, Mr Jon Schahinger only.

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 Manager, is entitled to a payment of 20% of any performance fees the Manager receives from the Company. Since inception, no performance fee has become due or payable by 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:

	Primary salary and fees \$	Superannuation* \$	Total \$
<b>2008</b>			
Grant Bailey	-	-	-
Geoff Brunsdon	-	40,000	40,000
David McClatchy	-	-	-
Jon Schahinger	-	-	-
Don Stammer	-	30,000	30,000
Total Compensation	-	70,000	70,000

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

\*As per prior years, the Directors have elected to receive their directors fees directly into their superannuation fund.

## Directors' Report (continued)

### Remuneration report - audited (continued)

#### Compensation of Directors (continued)

No remuneration is paid by INGIM directly to the directors for services as directors of ING Private Equity Access Limited. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by the company to the directors as Key Management Personnel.

No director has received a share based payment or other long term benefit during the year ended 30 June 2008 (2007: \$Nil).

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

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

#### 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 \$87,263 per annum (plus any applicable GST), as adjusted on a yearly basis having regard to movements in the Consumer Price Index. As per the management agreement, this fee was reviewed by the Manager and the Board during the year and it was agreed to discontinue the fee on 1 November 2009.

##### Performance Fee

The Manager will be entitled to a Performance Fee calculated annually over three year rolling periods. The first three year period was the period from the end of the month in which the Company is admitted to the ASX's Official List to the third anniversary of that date (30 November 2007).

The fee payable is equal to 10% of any out-performance of the Portfolio over a benchmark which is be the greater of:

- (a) the total return of the S&P/ASX 300 Accumulation Index over the calculation period plus 3% per annum; and
- (b) 25% over the calculation period.

As at 30 June 2008, no Performance Fee has been paid or become payable to the Manager.

## Directors' Report (continued)

### Auditor independence declaration

A statement of independence has been provided by our auditor, Ernst & Young and is attached to the Directors' Report on pages 11.

#### Non-audit services

Payments made to the auditor for non-audit services during the year are disclosed in Note 21: Auditor Remuneration. The Board is of the view that the independence of the Auditor has not been impacted by these payments.

Signed in accordance with a resolution of the Directors.

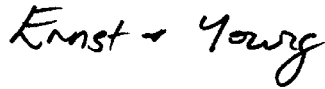
A handwritten signature in black ink, appearing to read 'Geoff Brunson', followed by a long horizontal line extending to the right.

Geoff Brunson  
Chairman

Sydney  
29 August 2008

## 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 2008, 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  
29 August 2008

## 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) "Corporate Governance Principles and Recommendations – 2<sup>nd</sup> Edition" (the Recommendations). In accordance with the Recommendations, the Corporate Governance Statement contains specific information disclosing the extent to which the Company has followed the guidelines during the year. Additionally, where the Company considers that a Recommendation is inappropriate to its particular circumstances, it has not adopted it. In such cases, that fact has been disclosed below, together with the reasons for non-adoption.

The 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. | Remunerate fairly and responsibly                  |

ING Private Equity Access Limited's corporate governance practices were in place throughout the year ended 30 June 2008 and were fully compliant with the Recommendations unless disclosed below.

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

#### Establishment and disclosure of the respective roles and responsibilities of Board and Management

As an alternative to the Board adopting a formal statement of functions reserved to it, or adopting a formal board charter, a formal statement delegating authority to ING Investment Management Limited (the Manager) has been established. The formal statement is in the form of a Management Agreement between the Company and the Manager, and appoints the Manager to:

- Invest and manage the portfolio in accordance with the terms of the Agreement; and
- Perform various administrative services such as preparing financial statements and assisting with communications and regulatory reporting.

The Management Agreement may be reviewed periodically to ensure its ongoing suitability. Any additional matters affecting the Company are discussed in full and dealt with by the Board when required. The performance of the Manager is discussed and assessed at the regular meetings of the Board of Directors.

## Corporate Governance Statement (continued)

### Principle 2: Structure the Board to add value

#### Independent Directors

The skills, experience and expertise relevant to the position of each Director are included in the Annual Report on page 3 and 4.

The Board consists of both independent and non-independent Directors. 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.

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, such as total shareholders’ assets of the Company. 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, 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 obligations.

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 comprising independent Directors, the Company will not satisfy the Recommendation. 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. In addition, in any matter, if the Board were to have a split vote, the Chairman has the deciding vote, thus preserving a quasi-majority of independence.

The term in office held by each Director during the financial year was as follows:

Director's Name	Term in office
Grant Bailey (resigned)	3 February 2004 to 15 February 2008
Geoff Brunsdon (Chairman)	3 February 2004 to present
David McClatchy	15 February 2008 to present
Jon Schahinger	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, including board succession planning. When a vacancy exists, the Board will identify candidates with appropriate expertise and experience and appoint the most suitable person.

#### Term of office

With the exception of the Managing Director, at least two Directors of the Board must retire and stand for re-election each year. With the exception of the Managing Director, each director must retire and stand for re-election at least once every three years.

## Corporate Governance Statement (continued)

### Principle 2: Structure the Board to add value (continued)

#### Performance evaluation of the Board

The Directors' letters of appointment clearly set out the expectations that the Company has of the Board.

A formal 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 the opportunity 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 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 the Manager's managed funds, executives or employees trading in the shares and options of the Company. Prior to any trade by an employee or Director of ING Private Equity Access Limited or the Manager, approval must be applied for and granted. Prior to any approval, the application is considered in light of all relevant factors, such as availability of information to the market and current confidential Company information.

#### Code of conduct

While no formal code of conduct exists, the appointment of the Manager has been made with reference to its past performance and current reputation as a responsible and ethical investor. The Manager is part of the global ING Group, and has access to its global specialist investment network consisting of over 2,700 employees in 32 countries. ING Group (globally), including ING Investment Management Limited is at the forefront of ethical investing, having recently become a signatory to the United Nations Principles for Responsible Investment.

In addition to the above, the continuing employment of all Company officers and the Manager's employees is dependent on compliance with the high standards of professionalism and integrity, as contained in their contracts of employment.

### 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 Audit 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 the non-executive Directors, who during the year were Don Stammer (Chairman) and Geoff Brunsdon

In contrast to ASX Principle 4.2, suggesting a membership of three, the Audit Committee contains two members because there are only two independent Directors on the Board. The Audit Committee and the Board feels that the current audit committee structure is sufficient to be able to meet the requirements of the Charter of the Audit Committee.

## Corporate Governance Statement (continued)

### Principle 4: Safeguard integrity in financial reporting (continued)

#### Audit Committee (continued)

For details on the number of meetings of the Audit Committee held during the year and the attendees at those meetings, refer to page 5 of this financial report.

### Principle 5: Make timely and balanced disclosure

The Company ensures that all investors are kept up to date with any and all information in an equal and timely manner by providing regular announcements to the Australian Securities Exchange and shareholders, and by posting up to date information onto the Company's website ([www.ingpeal.com.au](http://www.ingpeal.com.au)). The Board is careful to ensure that announcements are kept factual, clear and balanced at all times. Announcements generally take one of 3 forms:

- Monthly NTA announcements which are released in line with a timetable published in the Company's Annual Report;
- Semi-annual and annual audited financial reports of the Company; and
- Ad-hoc releases whenever the Board considers it appropriate to advise investors of a new development within the Company or its portfolio.

The aim of the Board's continuous disclosure policy is fivefold:

- Keep current and potential investors abreast of the Company's activities and results;
- Reduce the possibility of the development of a false market in the Company's securities;
- Safeguard the confidentiality of corporate information to avoid premature disclosure;
- Provide a contact for media, analysts and shareholder queries;
- Ensure constant compliance with the ASX listing rule disclosure requirements.

### Principle 6: Respect the rights of shareholders

In the interest of promoting investor confidence, the Company promotes a culture where trading in its shares can proceed in an efficient and informed market. Normal practice is to disclose to shareholders all relevant information on a timely basis, in such a way as not to affect market sensibility or commit a breach of any confidentiality clauses (see Principle 5 above).

Up to date information can be accessed via the Company website, including but not limited to:

- Company strategy
- Details of the investment portfolio
- Archived information releases
- Company policies and charters
- Private equity education centre
- Company contact details

The share registry website also includes useful online tools, such as enabling electronic submission of annual report elections and accessing of a shareholder's own personal information.

Notice of the annual general meeting is released to shareholders in good time, to ensure that as many shareholders as possible have the opportunity to attend. The format of the annual general meeting is designed to promote opportunities for investors to raise issues and ask questions, however at other times of the year, investors also have the opportunity to raise issues or questions of Directors or the Manager via the contact details on the Company's website.

### Principle 7: Recognise and manage risk

#### Establishment of a system of risk oversight and management and internal control.

As much of the management of the Company has been delegated to the Manager, the Company has required the Manager to establish policies for the oversight and management of material business risks. These risks include financial risks such as market risk, credit risk and liquidity risk, as well as operational risks such as those in connection with the internal control framework and disaster planning.

## Corporate Governance Statement (continued)

### Principle 7: Recognise and manage risk (continued)

#### Establishment of a system of risk oversight and management and internal control. (continued)

The policies and objectives surrounding the Manager's administrative tasks are independently reviewed bi-annually, and the results of these reviews form part of the investigations of the Company's auditor (Ernst & Young).

Operational risk is primarily handled by the Manager, although the responsibility remains with the Board who may review and assess the findings of internal and external reviews of Manager systems.

The policies and objectives surrounding the principal financial risks facing the Company have been outlined in note 3 to the accounts, "Financial risk management objectives and policies", which can be found on pages 27 to 32, together with details of the controls surrounding these risks.

The Company does not have a designated Risk Committee because the Board as a whole serves as the Risk Committee, and the Manager provides the Board with details of additional compliance reviews and systems in place to reduce risk. These include responsibilities delegated to Management over the monitoring of the work performed by the registrar or any other third party provider employed by the Company or Manager.

#### Assurance under s295 of Corporations Act

Prior to signing the Directors' Report and Directors' Declaration, and adopting the accounts, the Board received assurance from the Chief Executive Officer and the Chief Administration Officer of the Manager that the financial records of the Company have been properly maintained, the financial statements comply with the accounting standards, the financial statements and notes for the financial year give a true and fair view. In addition, they provide assurance that there is a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.

### Principle 8: Remunerate fairly and responsibly

#### Directors' Remuneration

Geoff Brunsdon 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 8 to 9. Further, the amount of remuneration for all Directors, including all monetary and non-monetary components, is detailed in Note 22 to the financial report. Presently, only two Directors receive any remuneration from the Company because the non-independent 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 Manager, is entitled to 20% of any performance fees the 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 2008	Note	2008 \$'000	2007 \$'000
<b>Revenues</b>			
Change in net market value of financial assets held at fair value through profit and loss – listed instruments and managed cash trust		(1,745)	4,609
Realised gains on sale of available for sale financial assets – private equity investments		1,396	-
Dividend/distribution revenue		3,702	4,422
Interest revenue		626	96
Other revenue		55	22
	<b>6</b>	4,034	9,149
<b>Expenses</b>			
Management fees	<b>19</b>	702	565
Administration fees	<b>19</b>	95	82
Directors' fees	<b>22</b>	70	70
Impairment of available for sale financial assets	<b>16</b>	1,161	-
Other expenses	<b>7</b>	364	388
		2,392	1,105
Profit before income tax expense		1,642	8,044
<b>Income tax expense</b>	<b>8</b>	(45)	(1,975)
Net profit attributable to members of ING Private Equity Access Limited		1,597	6,069

### Earnings per share (EPS)

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

Basic earnings per share (cents per share)	<b>9</b>	2.92	14.13
Diluted earnings per share (cents per share)	<b>9</b>	2.92	14.13

## Balance Sheet

As at 30 June 2008	Note	2008 \$'000	2007 \$'000
<b>Current assets</b>			
Cash assets	11	7,458	4,861
Receivables	12	72	112
Financial assets held at fair value through profit and loss-listed equities	13	707	4,858
<b>Total current assets</b>		<b>8,237</b>	<b>9,831</b>
<b>Non-current assets</b>			
Deferred tax assets	8	256	72
Available for sale financial assets – private equity investments	14	60,257	50,627
<b>Total non-current assets</b>		<b>60,513</b>	<b>50,699</b>
<b>Total assets</b>		<b>68,750</b>	<b>60,530</b>
<b>Current liabilities</b>			
Payables	15	346	372
Current tax liabilities	8	1,410	3,524
<b>Total current liabilities</b>		<b>1,756</b>	<b>3,896</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities	8	629	1,909
<b>Total non-current liabilities</b>		<b>629</b>	<b>1,909</b>
<b>Total liabilities</b>		<b>2,385</b>	<b>5,805</b>
<b>Net assets</b>		<b>66,365</b>	<b>54,725</b>
<b>Equity</b>			
Issued capital	16	59,469	41,889
Reserves	16	(190)	2,602
Retained profit		7,086	10,234
<b>Total equity</b>		<b>66,365</b>	<b>54,725</b>

# Cash Flow Statement

For the year ended 30 June 2008	Note	2008 \$'000	2007 \$'000
<b>Cash flows from operating activities</b>			
Dividends and distributions received		3,826	4,564
Interest received		588	68
Other income received		45	27
Interest paid		(4)	(32)
Income tax paid		(3,120)	(719)
Payments to suppliers and Directors		(1,246)	(941)
<b>Net cash flows from operating activities</b>	<b>11</b>	<b>89</b>	<b>2,967</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of financial assets held at fair value through profit and loss		3,741	50,142
Purchases of financial assets held at fair value through profit and loss		(1,333)	(17,412)
Proceeds from capital returned on available for sale financial assets		5,448	540
Purchases of available for sale financial assets		(18,183)	(30,812)
<b>Net cash flows (used in)/from investing activities</b>		<b>(10,327)</b>	<b>2,458</b>
<b>Cash flows from financing activities</b>			
Proceeds from issues of ordinary shares		16,420	120
Dividends paid		(3,585)	(2,833)
<b>Net cash flows from/(used in) financing activities</b>		<b>12,835</b>	<b>(2,713)</b>
<b>Net increase in cash held</b>		<b>2,597</b>	<b>2,712</b>
Opening cash brought forward		4,861	2,149
<b>Closing cash carried forward</b>	<b>11</b>	<b>7,458</b>	<b>4,861</b>
<b>Non cash financing activities:</b>			
Dividends reinvestment plan		1,160	-

## Statement of Changes in Equity

For the year ended 30 June 2008	Issued Capital \$'000	Retained Earnings \$'000	Asset Reval. Reserve \$'000	Total \$'000
<b>At 1 July 2006</b>	41,769	6,998	583	49,350
Unrealised gain on available for sale financial assets	-	-	3,100	3,100
Income tax on items taken directly to equity	-	-	(1,081)	(1,081)
<b>Total income and expenses recognised directly in equity</b>	-	-	2,019	2,019
Net profit for the year	-	6,069	-	6,069
<b>Total income and expense for the year</b>	-	6,069	2,019	8,088
<b>Equity Transactions:</b>				
Issue of share capital as a result of exercise of options	120	-	-	120
Dividends paid during the year	-	(2,833)	-	(2,833)
<b>At 30 June 2007</b>	41,889	10,234	2,602	54,725
<b>At 1 July 2007</b>	41,889	10,234	2,602	54,725
Unrealised loss on available for sale financial assets	-	-	(3,060)	(3,060)
Impairment of available for sale financial assets	-	-	1,161	1,161
Income tax effect of impairment transferred from reserves to profit and loss	-	-	(348)	(348)
Prior period unrealised gains realised by sale of available for sale financial assets	-	-	(1,396)	(1,396)
Income tax on items taken directly to equity	-	-	851	851
<b>Total income and expenses recognised directly in equity</b>	-	-	(2,792)	(2,792)
Net profit for the year	-	1,597	-	1,597
<b>Total income and expense for the year</b>	-	1,597	(2,792)	(1,195)
<b>Equity Transactions:</b>				
Issue of share capital as a result of exercise of options	13,920	-	-	13,920
Issue of share capital as a result of share placements	2,500	-	-	2,500
Shares issued from DRP during the year	1,160	-	-	1,160
Dividends paid during the year	-	(4,745)	-	(4,745)
<b>At 30 June 2008</b>	59,469	7,086	(190)	66,365

## Notes

Year ended 30 June 2008

### 1. Corporate Information

The financial report of ING Private Equity Access Limited for the year ended 30 June 2008 was authorised for issue in accordance with a resolution of the board of Directors on 22 August 2008.

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 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 as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

#### *Adoption of new standard*

The Company has adopted AASB 7 *Financial Instruments: Disclosures* and all consequential amendments which became applicable on 1 January 2007. The adoption of this standard has only affected the disclosure in these financial statements. There had been no effect on profit and loss of the financial position of the Company

The following standards, amendments to standards and interpretations have been identified as those which may impact the Company in the year of initial application. They are available for early adoption at 30 June 2008, but have not been applied in preparing these financial statements:

- AASB 8 *Operating Segments* and AASB 2007-3 *Amendments to Australian Accounting Standards arising from AASB 8* replaces the presentation requirements of segment reporting in AASB 114 *Segment Reporting*. AASB 8 is applicable for annual reporting periods beginning on or after 1 January 2009 and is not expected to have an impact on the financial results of the Company as the standard is only concerned with disclosures.

## Notes (continued)

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

#### (b) Statement of compliance (continued)

- Revised AASB 101 *Presentation of Financial Statements* and AASB7-8 *Amendments to Australian Accounting Standards arising from AASB 101* introduces as a financial statement (formerly “primary” statement) the “statement of comprehensive income”. The revised standard does not change the recognition, measurement or disclosure of transactions and events that are required by other AASBs. The revised AASB 101 will become mandatory for the Company’s 30 June 2010 financial statements. The Company has not yet determined the potential effect of the revised standard on the Company’s disclosure.

Certain Australian Accounting Standards and 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 2008. 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.

#### (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.

## Notes (continued)

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

#### (e) Investments (continued)

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.

Impairment is considered by the Board based on information provided by the Manager in respect of the background of any short term movements in the value of the Company's assets, as well as their significance in relation to an investment's cost or the duration that fair value has been below cost. Background factors include, among other things, management fees charged within funds or venture capital limited partnerships (VCLPs), currency fluctuations, the value of underlying investments and the market in which they reside.

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, investments are valued according to the differing structures of these type of investments in the Company's portfolio. Private equity trust units are valued based on a unit price provided by the manager, while Venture Capital Limited Partnerships (VCLP) and direct private equity investments are valued using a "proportionate" value provided by the partnership or direct investment based on the Company's share of VCLP assets or company assets. The unit prices and "proportionate" values are calculated from the proportion of the total net asset values of the trust, partnership or company which is owned by ING Private Equity Access Limited at balance date.

The value of the net assets of a fund, partnership or company is based on valuations of the diversified portfolio of investment 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 price/earnings analysis or discounted cash flow techniques. All valuation methods require assumptions to be made, for example, the estimation of future cash flows, multiples which would be paid on earnings in the market, discount rates or liquidity discounts. These assumptions are made by the managers, partnerships and direct investment entities and are not made by the Company.

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.

#### (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.

## Notes (continued)

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

#### (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.

##### *Financial assets at fair value through profit and loss*

Listed equities are included in the category of “financial assets at fair value through profit or loss”. Listed equities held by the Company at balance date were acquired as a result of a private equity investment being listed as part of its sale process. Prior period listed equities included this asset and other non-private equity investments which were acquired by the Company as a means of revenue for the period prior to capital raised being utilised in the private equity portfolio. Gains or losses on financial assets held for trading are recognised in the profit or loss and the related assets are classified as current assets in the balance sheet.

##### *Interest*

Interest revenue is brought to account on an accruals basis using the effective interest rate method.

##### *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 years are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current year's 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 liabilities are recognised for all taxable temporary differences.

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 year 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.

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

## Notes (continued)

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

#### (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) Segment reporting

A business segment is a distinguishable component of the entity that is engaged in providing products or services that are subject to risks and returns that are different to those of other operating business segments. Management has assessed the reportable business segments under AASB 114: *Segment Reporting* and have determined that on adoption of AASB 8: *Segment Reporting* (applicable from 1 January 2009), additional operating segments are not likely to be identified.

A geographical segment is a distinguishable component of the entity that is engaged in providing products or services within a particular economic environment and is subject to risks and returns that are different to those of segments operating in other economic environments.

## Notes (continued)

### 3. Financial risk management objectives and policies

The Company's principal financial instruments comprise:

- Units in unlisted private equity funds;
- Interests in venture capital limited partnerships;
- Capital in unlisted companies, purchased and held as part of various private equity relationships;
- Equities in listed companies;
- Units in unlisted cash unit trusts; and
- Cash at bank.

The main purpose of these financial instruments is to invest in private equity investments, or to hold capital in a liquid environment until it is called by private equity investment vehicles.

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

The main risk arising from the Company's financial instruments is market risk, or more specifically, 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 Company uses different methods to measure and manage different types of risks to which it is exposed which are appropriate to the specific risk type and materiality. The Board and the Manager review and agree policies for managing these risks and they are summarised below.

#### Risk exposures and responses

##### *Market risk*

Market risk is the combined underlying risks of any investment by the Company. In relation to ING Private Equity Access Limited, market risk comprises market price risk, foreign currency risk and interest rate risk.

Prior to committing to a private equity investment, the Board has the opportunity to consider each of these risks while they review detailed submissions from the Manager. Each Manager submission is based on extensive due diligence with regard to, but not limited to:

- Management and investment team skills, experience and qualifications ;
- Investment structure, conditions of application (including required commitment level) and fees;
- Past performance and outlook for current investments;
- Alignment of personal interest with investors; and
- Other investments in the ING Private Equity Access portfolio.

Over the life of the investments, market risk is also considered and mitigated as outlined below.

##### *Market price risk*

Market price risk is the risk that value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

##### *Market price risk – Listed Equities*

The Company's exposure to listed equity security market price risk is minimal. There is 1 listed equity investment held by the Company at 30 June 2008 which is publicly traded on the ASX (2007: 20 investments). At balance date, the market value of the Company's listed investment portfolio was \$706,580 (2007: \$4,858,507).

## Notes (continued)

### 3. Financial risk management objectives and policies (continued)

#### Risk exposures and responses (continued)

##### Market price risk (continued)

At the discretion of the Manager, the Company may utilise 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.

At 30 June 2008, had the price of the Company's listed equities moved, as illustrated in the table below, with all other variables held constant, net profit before tax and equity would have been affected as follows:

Net profit before tax	2008 A\$'000	2007 A\$'000
	Higher/(Lower)	
Listed Equity +10%	71	486
Listed Equity -10%	(71)	(486)

Equity	2008 A\$'000	2007 A\$'000
	Higher/(Lower)	
Listed Equity +10%	-	-
Listed Equity -10%	-	-

##### Market price risk – Private Equity

The Company's exposure to private equity investments is more material, but the risks of market price movements are less relevant due to the factors outlined below. At 30 June 2008, had the price of the Company's private equity investments moved, as illustrated in the table below, with all other variables held constant, (including normal market conditions and no impairment) net profit before tax would not be affected because variations in the market price are taken through the Asset Revaluation Reserve. Equity would have been affected as follows:

Equity	2008 A\$'000	2007 A\$'000
	Higher/(Lower)	
Private Equity +10%	4,218	3,544
Private Equity -10%	(4,218)	(3,544)

## Notes (continued)

### 3. Financial risk management objectives and policies (continued)

#### Risk exposures and responses (continued)

##### *Market price risk (continued)*

The Board considers and manages the market price risk relating to private equity investments taking into account the following factors:

- The portfolio of underlying investments is extremely well diversified. The Company's fund of funds structure consists of 15 private equity funds which between them have exposure to some 83 individual underlying opportunities located in many different industry sectors. Any single underlying exposure does not generally put a material amount of the Company's capital at risk. No individual underlying investment currently makes up greater than 5% of the total investments of the Company.
- Due to the long term nature of these investments, short term market price volatility is regarded with less importance by the Board than the real progress of the underlying entities which form the basis of the short term price.
- The valuations of each private equity investment are based on the current value of the underlying businesses which they hold and the valuation guidelines utilised include the use of an "illiquidity discount". The private equity managers do not intend to sell these underlying businesses until their potential has been realised and or utilised. Historically, at any point in time, the values at which they are held by the private equity manager and hence ING Private Equity Access Limited, are generally lower than the eventual sale prices.

The major risks in relation to the Company in relation to the private equity investments is either an underlying investment not being able to reach its full potential in a timely manner or at all, which would cause a delay or a decrease in the expected cash flows to the Company. The likelihood of such an event is considered periodically by the Investment Manager and the findings are reviewed by the Board. Consideration procedures include, but are not limited to, the review of regular reports from the managers, direct correspondence with the manager, and information provided with monthly unit price advices which explain any price movement of the fund, partnership or investment. In the event that such an event becomes likely, the investment will be considered to be impaired which will have an effect on the profit or loss of the Company. At present no investments are considered to be impaired.

To limit the risk of material impairment, the Board diversifies the underlying managers of the investments in the private equity portfolio as well as the type and timing of the investments.

##### *Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's direct exposure to interest rate risk is minimal, limited only to its cash and cash unit trust holdings.

At 30 June 2008, if interest rates had moved upwards by 50 basis points (0.50%) with all other variables held constant, post tax profit and equity would increase by \$26,103 (2007: \$17,014) and if interest rates had moved downwards by 50 basis points (0.50%) with all other values held constant, post tax profit and equity would decrease by \$26,103 (2007: \$17,014).

## Notes (continued)

### 3. Financial risk management objectives and policies (continued)

#### Risk exposures and responses (continued)

##### Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in exchange rates.

The Company currently has one direct investment denominated in US dollars and several in New Zealand dollars. As a result of these investments, the Company's balance sheet can be affected by movements in the NZD/AUD and USD/AUD exchange rates, however the profit and loss statement will largely not be affected because revaluations of these investment are taken to the asset revaluation reserve.

Relevant exchange rates and their effect on the Company's financial instruments are monitored by the Manager, and if deemed appropriate or necessary, the terms of the investment management agreement allow foreign currency hedging to be undertaken using derivatives. The Company does not currently hedge its foreign exposure.

At 30 June 2008, the Company had the following exposure to New Zealand and US dollars that are not designated as cash flow hedges:

Financial Assets	2008 A\$'000	2007 A\$'000
Available for sale financial assets – private equity investments NZ\$ exposure	2,545	2,820
Available for sale financial assets – private equity investments US\$ exposure	521	589
	3,066	3,409

The following sensitivity analysis is based on the foreign currency risk exposures in existence at the balance sheet date:

At 30 June 2008, had the Australian Dollar moved, as illustrated in the table below, with all other variables held constant, equity would have been affected as follows:

Equity	2008 A\$'000	2007 A\$'000
	Higher/(Lower)	
AUD/NZD +10%	268	267
AUD/NZD -10%	(268)	(267)
AUD/USD +10%	57	62
AUD/USD -10%	(57)	(62)

## Notes (continued)

### 3. Financial risk management objectives and policies (continued)

#### Risk exposures and responses (continued)

##### Foreign currency risk (continued)

Lastly, the Company has a foreign currency exposure to capital commitments made to overseas private equity firms for amounts which may be called in the future. The timing and extent of these calls cannot be predicted at the date of this report because money is called as and when it is required by the foreign investment fund. As at the end of the financial year, the Company has one capital commitment to a foreign investment fund being Direct Capital Partners, with an uncalled commitment of NZD \$3,916,398 (approx AUD \$2,411,902).

##### Credit risk

The Company's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. At balance date, the total carrying amount of financial assets exposed to credit risk for the Company is \$71,612 (2007: \$112,338)

The Company trades only with reputable, creditworthy third parties, and as such collateral is not requested nor is it the Company's policy to securitise its receivables.

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

All amounts are receivable in Australian Dollars and are not considered past due or impaired.

##### Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations by their due date, due to a lack of cash accessible by the Company. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company's liquidity primarily comprises cash at bank and cash held in cash trusts. In addition, the Company has investments in listed equities which are considered relatively liquid.

The Company's liquidity requirements are twofold. Firstly, they include the Company's day to day running costs and expenditures such as the amounts payable to its trade creditors, and secondly they include the amounts to which the Company is committed to pay to its Private Equity investments which are paid on a "drawdown" basis.

The table below reflects all contractually fixed amounts owing to related parties and non-related parties. Contractually fixed amounts owing to non-related parties include outstanding private equity commitments which have been shown as on call. Private equity calls may be called at anytime in the future, but are not due until approximately 10 days after they are called. Calls can be made at any time over approximately 12 years from balance sheet date.

Contractual maturities due within 12 months 2008	< 1 month \$'000	1 -3 months \$'000	3 -12 months \$'000	On call \$'000
Payables – non related parties	131	-	-	-
Payables – related parties	215	-	-	-
Private equity commitments	-	-	-	49,179
	346	-	-	49,179

## Notes (continued)

### 3. Financial risk management objectives and policies (continued)

#### Risk exposures and responses (continued)

##### Liquidity risk (continued)

Contractual maturities due within 12 months 2007	< 1 month \$'000	1 -3 months \$'000	3 -12 months \$'000	On call \$'000
Payables – non related parties	186	-	-	-
Payables – related parties	186	-	-	-
Private equity commitments	-	-	-	57,846
	372	-	-	57,846

The Company's day to day running costs and expenditures are quantitatively immaterial in relation to the Company's overall commitments. The timeframes within which they will be drawn are known to be less than 12 months. The Company's unpaid Private Equity commitments are material, and as such, the Manager and the Board devote considerable time to ensuring that the Company will be able to meet its current investment obligations, and that future investments/commitments made by the Company are prudent from a cash flow and liquidity risk perspective.

In time and dollar terms, there is no schedule or timeframe on which to forecast the Private Equity drawdowns. There is only a "maximum" commitment payable which will be the total that is paid for the Private Equity Investment over the life of the investment, and if the private equity investment is a fund or trust, there is an end date for drawing of commitments which corresponds to the documentation governing the investment. Venture capital limited partnerships and unlisted companies have no such end date, but do have an estimated end date advised at the time of application. All of these dates are subject to change under certain conditions, and therefore indicative only.

Despite these limitations of information, the Manager utilises a cash forecast using the latest drawdown information and trends gathered from all of the Investment Manager's private equity investments, which are then reviewed and considered by the Board utilising its experience in the private equity domain. Based on this uncertain forecast the Company assesses its capacity to meet its obligations from the various sources of cash available to it. These may include:

- cash on hand;
- the sale of the liquid investments;
- the sale on the secondary market of its private equity investments;
- distributions and returns received from its investments;
- capital raised from the dividend reinvestment plan;
- capital raised via placements or rights issues; and
- prudent levels of borrowings utilising the cash advance facility disclosed in note 16.

## Notes (continued)

### 4. Significant accounting judgements, estimates and assumptions

#### Valuation of investments

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 according to the differing structures of these type of investments in the Company's portfolio. Private equity trust units are valued based on a unit price provided by the manager, while VCLPs and direct private equity investments are valued using a "proportionate" value provided by the partnership or direct investment based on the Company's share of VCLP assets or company assets. The unit prices and "proportionate" values are calculated from the proportion of the total net asset values of the trust, partnership or company which is owned by ING Private Equity Access Limited at balance date.

The value of the net assets of a fund, partnership or company is based on valuations of the diversified portfolio of investment 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 price/earnings analysis or discounted cash flow techniques. All valuation methods require assumptions to be made, for example, the estimation of future cash flows, multiples which would be paid on earnings in the market, discount rates or liquidity discounts. These assumptions are made by the managers, partnerships and direct investment entities and 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 reasonably accurate, based on correspondence within the industry and from the relevant managers.

Details of available for sale investments are set out in Note 14.

#### Impairment of investments

Under the requirements of *AASB 139: Financial Instruments Recognition and Measurement* the Company is required to recognise impairment losses on Available for Sale Financial Assets by removing their unrealised losses from the asset revaluation reserve and recognising them in the profit and loss. The Directors do so when they consider that an Available for Sale Financial Asset is impaired under the requirements of AASB 139.

The extent to which any Available for Sale Financial Asset of the Company is impaired under the requirements of AASB 139 is subject to judgements made by the Directors of the Company about the current fair value of the asset relative to its cost. AASB 139 gives guidance to possible objective evidence to be used when assessing whether or not the asset is impaired. Objective evidence includes significant or prolonged decline in fair values of investments.

The Board assess significance in relation to the carrying cost of the available for sale investment adjusted for currency fluctuations and the pattern of underlying fees being charged in the asset. The Board assess duration by observing the fair value versus the cost of the asset over the past 2 years, including short term fluctuations around realisations and other market related events.

## Notes (continued)

### 4. Significant accounting judgements, estimates and assumptions (continued)

#### Impairment of investments (continued)

Whether a decline in value is significant or prolonged is an area of judgement made by the Board and, under the requirements of AASB 139, cannot take into account possible or probable future fair value increases, future capital call downs or future market expectations, nor can it fully appreciate the long term nature of the private equity environment in which the Company and its Available For Sale Financial Assets operate.

Impairment does not impact the value of net assets of the Company.

#### Taxation

Income received from available for sale investments may contain non-taxable components which are not finalised nor advised until after the end of the financial year and after the release of the Company's annual report. The taxable and non-taxable components are estimated by the Investment Manager at the time of receipt based on information held at that time in relation to amounts previously paid for underlying investments, components of and arrangement for the settled amounts and any other information provided to the Manager in quarterly, semi annual and annual reports.

The estimation of the tax components has an effect on the current and deferred taxation provisions and taxation expenses of the Company. After year end, upon receipt of the final taxation statements from the available for sale investments, adjustments are made to the taxation provisions and expenses of the Company, resulting in adjustments in the current year which relates to the prior year.

These timing differences and subsequent adjustments in relation to taxation components of available for sale income are inherent to the trust and partnership structures of the available for sale investments held by ING Private Equity Access Limited and are in line with previous year's taxation adjustments.

Details of the taxation position of the Company are set out in Note 8.

## Notes (continued)

### 5. Segment information

The Company's primary segment is its business segment. The Company operates in one business segment: Investment. The Company's investment business segment includes making long-term investments in private equity funds and investments in Australian listed equities, the results of which are represented in the balance sheet and income statement.

The Company's secondary segments are its geographical segments which are determined by the location of the Company's assets.

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

2008	Australia \$'000	New Zealand \$'000	United States of America \$'000	Total \$'000
Revenue	2,397	1,637	-	4,034
Expenses	2,392	-	-	2,392
Assets	65,685	2,544	521	68,750
Liabilities	2,385	-	-	2,385

2007	Australia \$'000	New Zealand \$'000	United States of America \$'000	Total \$'000
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

6. Revenue	2008 \$'000	2007 \$'000
Dividends and distributions received	3,702	4,422
Change in net market value of financial assets held at fair value through profit and loss – listed instruments and managed cash trust	(1,745)	4,609
Realised gains on sale of available for sale financial assets – private equity investments	1,396	-
Interest	626	96
Other income	55	22
<b>Total revenue</b>	<b>4,034</b>	<b>9,149</b>

## Notes (continued)

<b>7. Other expenses</b>	2008 \$'000	2007 \$'000
ASX annual listing fees	36	38
Audit Fees	99	68
Brokerage	6	126
Legal fees	15	12
Registry fees	137	79
Sundry expenses	70	65
<b>Total other expenses</b>	<b>363</b>	<b>388</b>

## 8. Income tax

The major components of income tax expense are:

### Income Statement

#### *Current income tax*

Current income tax charge	1,414	3,534
Adjustments in respect of previous year's current income tax	(408)	(134)

#### *Deferred income tax*

Relating to origination and reversal of temporary differences	(961)	(1,425)
<b>Income tax expense reported in the income statement</b>	<b>45</b>	<b>1,975</b>

### Statement of changes in equity

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

Unrealised taxable gain/(loss) on available for sale investments	964	1,467
	<b>964</b>	<b>1,467</b>

### Current income tax liability

Opening balance	3,524	844
Charged to income	1,414	3,534
Adjustment in respect of prior years	(408)	(134)
Payments in respect of prior year	(3,116)	(710)
Payments in respect of current year	(4)	(10)
	<b>1,410</b>	<b>3,524</b>

## Notes (continued)

### 8. 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 2008 and 2007 is as follows:

	2008 \$'000	2007 \$'000
Accounting profit before income tax	1,642	8,044
At the statutory income tax rate of 30% (2007:30%)	493	2,413
Adjustment in respect of current income tax in previous years #	(408)	(135)
Permanent differences in relation to deferred and current income and expenditure	(4)	(65)
Gross up of income due to franking credits received	48	101
Franking credit rebate	(25)	(337)
Net effect of Australian tax payable on foreign income & foreign tax paid	(59)	(2)
At effective income tax rate of 3% (2007:17%)	45	1,975
<b>Income tax expense reported in Income Statement</b>	<b>45</b>	<b>1,975</b>

# The income tax liability for the year ended 30 June 2007 was calculated based on tax component information provided in relation to private equity distributions received during the year. In the current year, further information was provided indicating that the distributions received during the year ended 30 June 2007 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.

### Deferred income tax

	Balance Sheet		Income Statement	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Deferred income tax at 30 June relates to the following:				
<i>Deferred income tax liabilities</i>				
Outstanding dividends	-	19	(19)	7
Accrued interest	13	11	2	8
Revaluations of financial assets held at fair value through profit and loss- listed equities	-	412	(412)	(1,383)
Revaluations of available for sale financial assets through profit or loss – private equity investments	(348)	-	(348)	
Revaluations of available for sale financial assets through equity – private equity investments	964	1,467		
<b>Gross deferred income tax liabilities</b>	<b>629</b>	<b>1,909</b>		

## Notes (continued)

### 8. Income tax (continued)

	Balance Sheet		Income Statement	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<i>Deferred income tax assets</i>				
Accrued expenses	34	22	(12)	(7)
Effect of franking credits on outstanding dividends	-	41	41	(41)
Revaluations of Financial assets held at fair value through profit and loss- listed equities	207	-	(207)	-
Revaluation of unlisted cash trust	15	9	(6)	(9)
Gross deferred income tax assets	256	72		
Deferred tax income			961	(1,425)

### 9. Earnings per share

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:

	2008 \$'000	2007 \$'000
Net profit attributable to ordinary shareholders for basic and diluted earnings per share:	1,597	6,069
	Shares '000	Shares '000
Weighted average number of ordinary shares for basic earnings per share	54,725	42,947
Effect of dilution:		
Share options	-	-
Adjusted weighted average number of ordinary shares for diluted earnings per share	54,725	42,947
Weighted average number of converted potential ordinary shares included in diluted earnings per share	54,725	42,947

## Notes (continued)

<b>10. Dividends paid and proposed</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Declared and paid during the year:</i>		
Dividends on ordinary shares:		
Final unfranked dividend for 2007: 5.40 cents (2006: 4.50 cents fully franked)	3,209	1,930
Interim fully franked dividend for 2008: 2.55 cents (2007: 2.10 cents)	1,536	903
	<b>4,745</b>	<b>2,833</b>
<i>Declared post balance date (not recognised as a liability as at 30 June):</i>		
Dividends on ordinary shares:		
Final fully franked dividend for 2008: 5.40 cents (2007: 4.50 cents)	3,280	3,209
<b>Franking credit balance</b>		
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% (2007: 30%)	3,232	730
- franking credits that will arise from the payment of income tax payable as at the end of the financial year	1,410	3,524
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date	-	25
	<b>4,642</b>	<b>4,279</b>
The tax rate at which paid dividends have been franked is 30% (2007: 30%)		
Dividends proposed will be fully franked.		
<b>11. Cash and cash equivalents</b>		
Cash at bank	6,151	338
Units in unlisted cash trust	1,307	4,523
	<b>7,458</b>	<b>4,861</b>

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

## Notes (continued)

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

	2008 \$'000	2007 \$'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	6,151	338
Units in unlisted cash trust	1,307	4,523
	<b>7,458</b>	<b>4,861</b>

Movements in unrealised profits or losses of the unlisted cash trust are recognised in the Income Statement.

	2008 \$'000	2007 \$'000
<b>Reconciliation from the net profit after tax to the net cash flows from operations</b>		
Net profit	1,597	6,069

#### *Non-Cash Items*

Realised profit on financial assets held at fair value through profit and loss – listed instruments	(321)	(3,749)
Realised profit on available for sale financial assets	(1,396)	-
Recognition of impairment net of income tax adjustment	813	-
Movement in unrealised loss/(profit) on financial assets held at fair value through profit and loss – listed instruments	2,107	(890)

#### *Changes in assets and liabilities*

(Increase)/decrease in trade and other receivables	(1)	4
Increase in interest receivable	(39)	(28)
Decrease in dividends receivable	80	175
Increase in deferred tax assets	(184)	(57)
(Increase)/Decrease in trade and other creditors	(26)	132
Decrease/(increase) in tax provision	(2,112)	2,680
Decrease in deferred income tax liability	(1,280)	(287)
Increase/(Decrease) in tax effect of revaluation of available for sale financial assets – private equity	851	(1,082)

<b>Net cash from operating activities</b>	<b>89</b>	<b>2,967</b>
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### 12. Receivables (Current)

Dividends/distributions receivable	12	92
Interest receivable	44	5
Other receivables	16	15
	<b>72</b>	<b>112</b>

## Notes (continued)

<b>13. Financial assets held at fair value through profit and loss</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
At fair value		
Listed equities	707	4,858
	<b>707</b>	<b>4,858</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.

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

At fair value		
Private equity investments	60,257	50,627
	<b>60,257</b>	<b>50,627</b>

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.

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

Trade and other payables	131	186
Related party payables (refer note 19)	215	186
	<b>346</b>	<b>372</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 19.

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

## Notes (continued)

<b>16. Issued capital and reserves</b>	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<i>Ordinary shares</i>		
Issued and fully paid	59,469	41,889
<i>Movement in ordinary shares on issue</i>		
At 1 July 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
Issued between 1 July 2007 and 30 June 2008 for cash on exercise of share options	13,920	13,920
Issued on 31 October as a result of a share placement at \$1.00 per share	2,500	2,500
Issued on 21 November 2007 as a result of the dividend reinvestment plan in relation to the 2007 final dividend	784	746
Issued on 20 March 2008 as a result of the dividend reinvestment plan in relation to the 2008 interim dividend	525	414
<b>At 30 June 2008</b>	<b>60,744</b>	<b>59,469</b>
<i>Other reserves</i>		
Asset revaluation reserve		
Opening balance	2,602	583
Unrealised revaluation of available for sale financial assets taken to profit or loss due to impairment	1,161	-
Tax effect of available for sale assets taken to profit or loss due to impairment	(348)	-
Net gains/(losses) on available for sale financial assets	(4,456)	3,100
Income tax on items taken directly to equity	851	(1,081)
<b>Closing balance</b>	<b>(190)</b>	<b>2,602</b>

## Notes (continued)

### 16. Issued capital and reserves (continued)

#### Nature and purpose of reserves

##### *Asset revaluation reserve*

This reserve records valuation movements in available for sale financial assets to fair value other than any impairment losses. As at balance date, the asset revaluation reserve is in a negative position, due to some available for sale assets fair value being below their cost. The Company has impaired several selected available for sale financial assets, however it has not impaired every asset with a value below cost because they are not deemed to be significantly impaired or impaired for a prolonged period under the terms of *AASB 139: Financial Instruments Recognition and Measurement*.

The Company has valuation guidelines that have been developed to ensure that the impairment requirements of the Corporations Law and AASB 139 are applied to the Company's investments in the context of the environment that the Company operates in.

There have not been any impairment losses in prior years.

#### Share options

##### *Unissued shares*

There are currently no share options on issue.

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

During the year, shareholders have exercised the option to acquire 13,919,724 (2007: 120,067) fully paid ordinary shares in ING Private Equity Access Limited at an exercise price of \$1.00 per share.

#### Capital management

When managing capital, the Board's objective is to ensure that the Company continues as a going concern with a low cost of capital whilst maintaining optimal returns to shareholders.

During 2008, there was \$13,919,724 (2007: \$120,067) raised as a result of options being exercised and an additional \$2,500,000 (2007: Nil) as a result of share placements. The Board does not currently have any other plans to issue further shares on the market,

During 2008, the Company paid dividends of \$4,745,051 (2007: \$2,883,284) and raised \$1,159,454 as a result of the introduction of the Dividend Reinvestment Plan. The Board intends to keep the dividend reinvestment plan in operation for the foreseeable future.

The Board does not have a quantified dividend payment target because of the inconsistent nature of the underlying returns from the private equity investments which are now the primary asset type held by the Company, Rather, the Board has a qualitative policy with an aim to pay the highest dividend possible to shareholders out of the net cash profit of the Company, which include the following revenues and expenses subject to the anticipated future capital requirements of the Company (including private equity commitments):

- investment income such as interest, dividends and distribution received during the year less an estimated provision for tax payable on such revenue
- realised gains on sales of investments from all direct and indirect sources
- other income such as sub-underwriting income received
- company administration expenses

## Notes (continued)

### 16. Issued capital and reserves (continued)

#### Capital management (continued)

Due to the current portfolio asset mix and timing of tax payments of the Company, the Company intends to pay future dividends which are franked to the fullest extent possible.

As disclosed in Note 3, "*Financial risk management objectives and policies*", The Company has put in place a cash advance facility similar to the one in place during the 2008 financial year, which is due to expire on 31 August 2008. The current facility is a \$20 million, 364 day cash advance facility which was established to ensure private equity commitments are able to be efficiently funded as and when required. As at the date of this report, the facility has remained undrawn.

The Company is not subject to an externally imposed capital requirements.

### 17. 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	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<i>Financial assets</i>				
Cash	7,458	4,861	7,458	4,861
Receivables	72	112	72	112
Financial assets held at fair value through profit and loss	707	4,858	707	4,858
Available for sale financial assets	60,257	50,627	60,257	50,627
	<b>68,494</b>	<b>60,458</b>	<b>68,494</b>	<b>60,458</b>
<i>Financial liabilities</i>				
Trade and other payables	346	372	346	372
	<b>346</b>	<b>372</b>	<b>346</b>	<b>372</b>

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. Details regarding the valuation of these investments including assumptions and judgements relating to these valuations are set out in note 4: Significant judgements, estimates and assumptions.

## Notes (continued)

### 17. Financial instruments (continued)

#### Interest rate risk

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

	2008 \$'000	2007 \$'000
<i>Floating rate (less than one year)</i>		
Cash assets	7,458	4,861

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. The weighted average interest rate is 6.80% (2007: 6.15%).

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.

### 18. Commitments and contingencies

#### Capital commitments

	2008 \$'000	2007 \$'000
Estimated capital commitments contracted for at reporting date, but not provided for:	49,180	57,846

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. This is supported by historical trends.

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

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

During the year, the Company established a \$20 million, 364 day cash advance facility which was not drawn upon during the financial year. The Company has since extended the facility to August 2009.

#### Contingent liabilities and contingent assets

##### (a) Contingent liabilities

As at the date of this report, the Company has no contingent liabilities. (2007: \$Nil)

##### (b) Contingent assets

As at the date of this report, the Company has no contingent assets. (2007: \$Nil)

## Notes (continued)

### 19. 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>		Services from related parties \$'000	Amounts owed by related parties \$'000	Amounts owed to related parties \$'000
Director related entity:				
ING Investment Management Limited	2008	797	-	215
	2007	647	-	168
Directors of the Company:	2008	70	-	18
	2007	70	-	18

### 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 \$87,263 per annum (plus any applicable GST), as adjusted on a yearly basis having regard to movements in the Consumer Price Index. As per the management agreement, this fee was reviewed by the Manager and the Board during the year and it was agreed to discontinue the fee on 1 November 2009.

##### *Performance Fee*

The Manager will be entitled to a Performance Fee calculated annually over three year rolling periods. The first three year period was the period from the end of the month in which the Company is admitted to the ASX's Official List to the third anniversary of that date (30 November 2007).

The fee payable is equal to 10% of any out-performance of the Portfolio over a benchmark which is the greater of:

- (a) the total return of the S&P/ASX 300 Accumulation Index over the calculation period plus 3% per annum; and
- (b) 25% over the calculation period.

As at 30 June 2008, no Performance Fee has been paid or become payable to the Manager.

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.

## Notes (continued)

### 20. Events after the Balance Sheet date

On 29 August 2008, the Directors of the Company declared a final dividend on ordinary shares in respect of the 2008 financial year. The total amount of the dividend is \$3,280,147 which represents a fully franked LIC capital gain dividend of 5.4 cents per share. The dividend has not been provided for in the 30 June 2008 financial statements.

The Company has put in place a cash advance facility similar to the one in place during the 2008 financial year, which is due to expire on 20 August 2009. The current facility is a \$20 million, 364 day cash advance facility which was established 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 has remained undrawn.

On 1 August 2008, the Company made a new \$10 million commitment to NBC Capital 3.

### 21. Auditor remuneration

	2008 \$	2007 \$
Amounts received or due and receivable by Ernst & Young Australia for:		
- Audit and review of the financial report of the entity (current year)	87,241	55,105
- Audit and review of financial report of the entity (prior year)	12,118	13,260
Other services in relation to the entity		
- Tax compliance	11,292	4,500
	<u>110,651</u>	<u>72,865</u>

## Notes (continued)

### 22. Director and executive disclosures

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

##### (i) Directors

Director Name	Position	Appointment date	Re-appointment date (Due to rotation)	Resignation date
Grant Bailey	Non-Executive Director	3 February 2004	19 October 2006	15 February 2008
Geoff Brunsdon	Chairman (Independent, Non-Executive)	3 February 2004	17 October 2007	-
David McClatchy	Non-Executive Director	15 February 2008	15 February 2008	-
Jon Schahinger	Managing Director	3 February 2004	-	-
Don Stammer	Independent & Non-Executive Director	3 February 2004	17 October 2007	-

##### (ii) Executives

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

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

Details of the compensation of the key management personnel of the Company are set out in the Remuneration Report within the Directors Report.

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

	Balance at 1 July '07	Purchased during the year	Exercised during the year	Balance at 30 June '08
Grant Bailey	10,000	-	(10,000)	-
Geoff Brunsdon	90,000	-	(90,000)	-
David McClatchy	-	-	-	-
Jon Schahinger	100,000	-	(100,000)	-
Don Stammer	50,000	-	(50,000)	-
Total	250,000	-	(250,000)	-

There are no options held by Directors as at the date of this report.

## Notes (continued)

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

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

Shares held in ING Private Equity Access Limited

	Balance at 1 July '07	Issued as a result of exercise of options	Purchases and (sales) during the year	Balance at 30 June '08
Grant Bailey	20,000	10,000	-	30,000*
Geoff Brunsdon	320,000	90,000	50,000	460,000*
David McClatchy	-	-	-	-
Jon Schahinger	275,000	100,000	75,000	450,000*
Don Stammer	165,000	50,000	30,000	245,000*
<b>Total</b>	<b>780,000</b>	<b>250,000</b>	<b>105,000</b>	<b>1,135,000</b>

\* These amounts are included in the transactions referred to in Note 22(e) below.

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.

#### (e) Other transactions and balances with specified Directors

560,000 shares are held by Jesena Pty Limited. Geoff Brunsdon is a Director of Jesena Pty Limited and has the power to influence the voting rights and disposal of its equity holdings.

95,673 shares are held by ING Investment Management Limited. David McClatchy is Chief Executive Officer and a Director of the Company, and has the power to influence the voting rights and disposal of its equity holdings.

400,000 shares are held by Schank Superannuation Fund. Jon Schahinger is a joint trustee of the superannuation fund, and has the power to influence the voting rights and disposal of its equity holdings.

245,000 shares are held by Meroma Pty Limited. Don Stammer is a Director of Meroma Pty Limited, and has the power to influence the voting rights and disposal of its equity holdings.

## Directors' Declaration

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

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 2008 and of its performance for the year ended on that date; and
  - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (c) 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 2008.

On behalf of the Board

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  
29 August 2008

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

### **Report on the Financial Report**

We have audited the accompanying financial report of ING Private Equity Access Limited, which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, 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 as issued by the International Accounting Standards Board.

### ***Auditor's Responsibility***

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

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

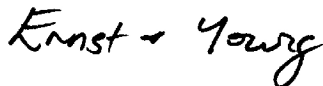
1. the financial report of ING Private Equity Access Limited is in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the financial position of ING Private Equity Access Limited at 30 June 2008 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included in pages 8 to 9 of the directors' report for the year ended 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### **Auditor's Opinion**

In our opinion the Remuneration Report of ING Private Equity Access Limited for the year ended 30 June 2008, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Gamini Martinus'.

Gamini Martinus  
Partner  
Sydney  
29 August 2008

## 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 13 August 2008.

### (a) Distribution of equity securities

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

			Shares	
			Number of holders	Number of shares
1	–	1,000	63	34,436
1,001	–	5,000	893	2,937,631
5,001	–	10,000	627	4,989,727
10,001	–	100,000	890	23,835,224
100,001	and over		51	28,946,446
			<b>2,524</b>	<b>60,743,464</b>
The number of shareholders holding less than a marketable parcel of securities are:			<b>38</b>	<b>11,258</b>

### (b) Twenty largest security holders

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

		Listed shares	
		Number of shares	Percentage of issued shares
1	ANZ Nominees Limited	8,133,457	13.39%
2	Mr Richard Hamilton Bartlett	2,719,262	4.48%
3	UBS Nominees Pty Ltd	2,663,062	4.38%
4	RBC Dexia Investor Services Australia Nominees Pty Ltd	2,000,000	3.29%
5	UBS Wealth Management Australia Nominees Pty Ltd	1,420,227	2.34%
6	Issac Paul Ergas & Patrick Christian Paul Ergas	810,720	1.33%
7	Mr Victor John Plummer	750,000	1.23%
8	HSBC Custody Nominees (Australia) Limited	599,999	0.99%
9	J P Morgan Nominees Australia Limited	556,888	0.92%
10	Mr Willem Bartus Josef Slot & Mrs Hanna Slot	518,203	0.85%
11	Moore Family Nominee Pty Ltd	500,000	0.82%
12	Cogent Nominees Pty Limited	460,762	0.76%
13	Rural Holdings Pty Limited & E J Hart Group Pty Ltd	450,000	0.74%
14	Jesena Pty Ltd	447,291	0.74%
15	Mr Kenneth John Butterfield	428,930	0.71%
16	Mr Jon Douglas Schahinger & Dr Elizabeth Mary Frank	400,000	0.66%
17	Mrs Kathryn Margaret Evans	340,886	0.56%
18	Investment Custodial Services Limited	318,964	0.53%
19	Mrs Elizabeth Carol Poland	302,826	0.50%
20	Bond Street Custodians Limited	250,000	0.41%
20	Mr David Graham Clark	250,000	0.41%
		<b>24,321,477</b>	<b>40.04%</b>

*(c) Substantial shareholders*

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

	Number of shares
ANZ Nominees Limited	8,775,488
Select Asset Management Limited	3,072,126

*(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 year, the Company paid approximately \$6,454(2007: \$125,841) in brokerage costs relating to 190 (2007: 1,488) 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 year were \$797,128 (2007: \$647,082).

*(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  
NBC Private Equity Fund III  
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  
Wolseley Partners Fund 2

**Australian Listed Equities**

CathRX Limited

## Directory

### **ING Private Equity Access Limited**

ABN 48 107 843 381

#### **Directors**

Geoff Brunson (Independent, Non Executive Director and Chairman)

David McClatchy (Non-Executive Director)

Jon Schahinger (Managing Director)

Don Stammer (Independent and Non-Executive Director)

#### **Company Secretaries**

Graham Batten

Chris Hadjia

#### **Registered Office of the Company**

Level 21

83 Clarence Street

Sydney NSW 2000

Australia

#### **Manager**

ING Investment Management Limited

Level 21

83 Clarence Street

Sydney NSW 2000

Australia

02 9276 6200

[www.ingim.com.au](http://www.ingim.com.au)

#### **Registrar**

Link Market Services Limited

Level 12

680 George Street

Sydney NSW 2000

Australia

1800 891 098 (Australian investors)

0800 507 120 (New Zealand investors)

#### **Auditor**

Ernst & Young

680 George Street

Sydney NSW 2000

#### **Stock Exchange Listing**

Official list of the Australian Stock Exchange Limited

Shares ASX Code: IPE

Options ASX Code: IPEO

#### **Website**

[www.ingpeal.com.au](http://www.ingpeal.com.au)

ING Private Equity Access Limited does not guarantee the repayment of capital or the investment performance of the Company.

The information contained in this summary report has been prepared with all reasonable care by ING Private Equity Access Limited who accepts no responsibility or liability for any errors, omissions or misstatements. It is provided as general securities information only and is not in any way intended to constitute a securities investment recommendation or financial advice.