NOTE 16: RESERVES

	ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Foreign currency translation				
Balance at beginning of year	(11,481)	(11,552)	(2,397)	(2,145)
Translation differences arising during the year	(8,759)	71	1,837	(252)
Balance at end of year	(20,240)	(11,481)	(560)	(2,397)
Total reserves at end of year	**(20,240)**	**(11,481)**	**(560)**	**(2,397)**
The closing balance is attributable to the unitholders of:				
– ING Real Estate Community Living Fund	(19,680)	(9,084)	—	—
– ING Real Estate Community Living Management Trust	(560)	(2,397)	(560)	(2,397)
	(20,240)	**(11,481)**	**(560)**	**(2,397)**

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

NOTE 17: ACCUMULATED LOSSES

		ING Real Estate Community Living Group		ING Real Estate Community Living Management Trust	
	Note	2011 $'000	2010 $'000	2011 $'000	2010 $'000
Balance at beginning of year		(368,541)	(300,967)	(13,179)	12,760
Net profit/(loss) for the year		13,051	(67,717)	9,854	(25,939)
Borrowing cost amortisation returned	15(d)	—	143	—	—
Balance at end of year		**(355,490)**	**(368,541)**	**(3,325)**	**(13,179)**

NOTE 18: COMMITMENTS

There were no commitments for capital expenditure on investment property, contracted but not provided for, at reporting date (2010: $4,709,000, all payable within one year).

NOTE 19: CAPITAL MANAGEMENT

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

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

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

The actual capital structure at a point in time is the product of a number of factors, many of which are market driven and to various degrees outside of the control of the Group, particularly the impact of revaluations on gearing levels, the availability of new equity and the liquidity in real estate markets. While the Group periodically determines the optimal capital structure, the ability to achieve the optimal structure may be impacted by market conditions and the actual position may often differ from the optimal position.