

IPE Limited

ABN 48 107 843 381

Appendix 4D – Half-Yearly Report

For the half-year ended 31 December 2017

1. Reporting period:

This report is for the reporting period from 1 July 2017 to 31 December 2017 and the corresponding period is from 1 July 2016 to 31 December 2016.

2. Results for announcement to the market:

	Up/Down	%	\$
Revenue from ordinary activities (\$'000)	Down	67%	1,240
Loss from ordinary activities after tax attributable to members (\$'000)	Up	84%	(453)
Net loss for the period attributable to members (\$'000)	Up	84%	(453)
There were no dividend or capital returns declared or paid during the period			
The DRP is currently not in operation			
Refer to attached narrative for explanation of results in the current period.			

3. Net tangible assets (NTA):

	Dec 2017 (per share)	Dec 2016 (per share)
NTA after tax	\$0.103	\$0.153

This report is based on the Half-Yearly Financial Report which has been subject to review by the Company's auditors. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the most recent Annual Report and any public announcements made by IPE Limited during the period in accordance with its continuous disclosure obligations.

IPE Limited

ABN 48 107 843 381

16 February 2018

The Board of Directors of IPE Limited presents its results for the half year ended 31 December 2017:

Review

Introduction

Net loss after tax	\$0.45 million
Net assets	\$13.99 million
NTA (post tax) released to ASX	\$0.103 per share
Debt	Nil
Cash	\$1.76 million
Cash paid to shareholders	Nil
Number of private equity funds	7
Number of underlying investments	12
Undrawn commitments	\$0.8 million

Financial results and capital position

The company experienced a very quiet half year period with no material exit activity in the portfolio and only modest changes in valuations. Hence the six months produced a small loss of \$0.45 million, not dissimilar to the loss in the prior corresponding period of \$0.25 million.

Net Tangible Assets ("NTA") per share released to the ASX as at 31 December was \$0.103 pre-tax (\$0.106 at 30 June) and \$0.103 post-tax (\$0.106 at 30 June). The difference was primarily the result of a small change in unrealised valuations and the impact of operating expenses.

At 31 December 2017 the Company had only \$0.8 million (the same as at 30 June) of undrawn private equity commitments which are available for portfolio support and other fund requirements. Given our knowledge of the portfolio we expect that the majority of that amount will not be called upon. The Company has no debt and the cash balance at period end was \$1.76 million so capital and expense needs are well covered.

Despite only a small number of purchases since its introduction in late 2015 the Company continues to have the ability to buy-back shares on-market as a way of enhancing shareholder value should any sustained share price weakness arise.

Over the last few years there has been a steady stream of cash back to investors but the current cash reserves were deemed insufficient to conclude that a dividend or capital return was appropriate during the six months. The Company's policy remains to distribute cash to shareholders when it has excess to its needs but we shall need to see further material exit activity in the portfolio before the next payment is possible.

At the Annual General Meeting in October shareholders again approved a resolution that will allow the efficient return of further capital during calendar 2018 should the Board deem it prudent to declare a payment. If there is any capital returns during FY 2018 the Company will approach the ATO for confirmation of the tax status of capital returns with the aim of providing confirmation, via an ASX release, before shareholders need to complete their tax returns for FY 2018.

Private Equity Portfolio

The Company's private equity fund portfolio is now down to seven funds with only twelve underlying investments. Two of the funds (Wolseley I and II) have no investments and are going through the process of their final wind-ups while another two (PEP IV and Quadrant 1) both have only one investment remaining. During the period under review, one fund (PEP III) finalised its termination process.

Cash inflows during the six months were modest at only \$0.66 million with the major portion arising from Archer 4's recapitalisation of its investment in Craveable Brands (previously named Quick Service Restaurants) and a smaller amount from CM Capital 4 following its sale of Datacastle. There were no calls during the period on the Company's undrawn portfolio commitments.

The future value of the portfolio will be driven by the outcomes of CM Capital 4 and NBC Private Equity III which both have four investments remaining. At period end CM Capital 4 represented almost 50% of the Company's portfolio value while NBC III added close to 30%. We hope that 2018 will prove pivotal for both of those funds as they pursue the exits of their investments. The calendar year has started well with the announcement in late January that the equity in ThreatMetrix (in the CM Capital 4 portfolio and the Company's largest exposure) was under a sale agreement for a price materially above its 31 December valuation with settlement expected before 30 June.

To keep up to date with the Company's portfolio, investors are encouraged to visit the website at www.ipelimited.com.au which contains links to the funds and, from those sites, to most of the underlying portfolio companies.

Summary of private equity funds

Portfolio holdings at 31 December 2017 are outlined below:

Fund name	Fund size	Committed	Capital drawn	Capital to be drawn	Cash back
	\$m	\$m	\$m	\$m	\$m
Archer Capital Fund 4	1,312.4	9.7	9.1	0.6	14.5
CM Capital Venture Trust 4	153.5	8.0	7.8	0.2	0.7
NBC Private Equity Fund III	101.2	10.0	10.0	-	4.2
Pacific Equity Partners Fund IV	2,965.0	7.3	7.2	-	9.9
Quadrant Private Equity No. 1	265.0	8.0	8.0	-	9.8
Wolseley Partners Fund I	107.4	8.0	8.0	-	3.8
Wolseley Partners Fund II	235.0	10.0	10.0	-	13.8

* numbers subject to rounding

Realisations during the period

Fund	Company	Total return as a multiple of cost
Archer Capital Fund 4	Brownes	0.5x
CM Capital 4	Datacastle	0.6x
	Altiris	0.2x

Ten largest private equity exposures

(as a percentage of the value of the Company's private equity assets as at 31 December 2017).

Fund	Date invested	Company	Percentage
CM Capital 4	Feb 08	ThreatMetrix	22.0%
CM Capital 4	Oct 07	Piedmont Pharmaceuticals	18.5%
NBC III	Oct 13	Didasko Learning	13.8%
NBC III	Dec 12	Degani Australia	11.3%
Archer 4	Jun 11	Craveable Brands	8.6%
CM Capital 4	Jun 07	Osprey Medical (ASX code: OSP)	6.0%
Quadrant 1	Mar 06	Seniors Money	5.2%
PEP IV	Jun 08	American Stock Transfer	5.2%
CM Capital 4	Jun 09	Speedx	3.4%
NBC III	Aug 13	Statseeker	3.3%
		Total (rounded)	97.3%

The top 6 underlying investments accounted for 80% of the portfolio at 31 December. With the wind down of the Company, the portfolio no longer enjoys the benefit of diversification to the previous extent. If any of these major investments suffered a significant set-back in performance or market value not offset by a corresponding increase in other investments, there could be a material diminution in the fund's NTA. Conversely, out performance could result in a significant enhancement to NTA (a situation just experienced with the good news in January about the sale of ThreatMetrix). Investors should consider the potential for increased volatility in realised or unrealised values in relation to their investment objectives.

IPE Limited

ABN 48 107 843 381

**Interim Financial Report
31 December 2017**

Directors' Report

The Directors submit their report for the half-year ended 31 December 2017.

Directors

The names and details of the Company's Directors in office during the half-year and until the date of this report are as follows:

Director Name	Position	Appointment Date
Geoff Brunsdon	Independent, Non-Executive Director and Chairman	3 February 2004
Jon Schahinger	Managing Director	3 February 2004
Tony Sims	Independent, Non-Executive Director	16 June 2016

Review and results of operations

During the reporting period, the Company engaged in its principal activity, holding long term investments in private equity funds, the results of which are enclosed in the attached financial statements.

Operating Results for the Period

The Company had its quietest six month period for many years with very little sale activity within what is now a modestly sized portfolio. Aggregate valuations were slightly down so that change, plus expenses, generated a net loss for the period of \$0.453 million after providing for income tax (2016: net loss: \$0.246 million).

Earnings per share for the reporting period based on the weighted average number of ordinary shares	2017	2016
Basic earnings per share (cents per share)	(0.34)	(0.18)
Diluted earnings per share (cents per share)	(0.34)	(0.18)

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial half-year.

Dividends and capital returns

No dividends or capital returns were paid or declared by the Company since the end of the previous financial year.

Directors' Report (continued)

Matters subsequent to the end of the financial half-year

On 29 January 2018, it was announced that a definitive agreement had been signed for the sale of all the equity in ThreatMetrix. ThreatMetrix is the largest underlying exposure in the Company's portfolio (held in CM Capital Venture Trust 4) and the value implied in the sale is significantly above its carrying value at 31 December. The ultimate return to IPE from the transaction is some time off and still subject to a number of conditions and variables, however the impact on the Company's NTA is likely to be material. At 31 December the Company's NTA was \$0.103. With all other elements of the NTA unchanged this sale price could move the NTA to more than \$0.14.

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

Rounding

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/Directors' Reports) effective 1 April 2016 and in accordance with that rounding instrument, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Auditor's independence declaration

A statement of independence has been provided by our auditor, Grant Thornton, and is attached to the Directors' Report on the following page.

Signed in accordance with a resolution of the Directors.



Geoff Brunsdon

Chairman

Sydney

16 February 2018

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Auditor's Independence Declaration to the Directors of IPE Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of IPE Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



G S Layland
Director – Audit & Assurance

Sydney, 16 February 2018

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Statement of Financial Position

As at	31 December 2017 \$'000	30 June 2017 \$'000
Current assets		
Cash and cash equivalents	1,758	1,353
Receivables	14	14
Prepayments	-	9
Tax assets	-	28
Total current assets	1,772	1,404
Non-current assets		
Unlisted private equity investments	12,315	13,135
Total non-current assets	12,315	13,135
Total assets	14,087	14,539
Current liabilities		
Payables and other liabilities	100	98
Total current liabilities	100	98
Non-current liabilities		
Deferred tax liabilities	-	1
Total non-current liabilities	-	1
Total liabilities	100	99
Net assets	13,987	14,440
Equity		
Issued capital	41,436	41,436
Accumulated loss	(27,449)	(26,996)
Total equity	13,987	14,440

The above Statement of Financial Position should be read in conjunction with the accompanying notes to the financial statements set out on pages 13 to 18.

Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December	2017 \$'000	2016 \$'000
Revenue		
Dividend and distribution revenue	1,232	3,738
Expenses		
Net decrease in fair value of investments	(1,392)	(2,929)
Fees payable to Manager	(62)	(416)
Directors' fees	(35)	(35)
Co-Investment fees to external managers	-	(417)
Other expenses	(171)	(140)
(loss)/profit from operating activities	(428)	(199)
Finance income	8	23
Net finance income	8	23
Loss before income tax	(420)	(176)
Income tax expense	(33)	(70)
Other comprehensive income for the period	-	-
Total comprehensive loss for the period	(453)	(246)

Earnings per share (EPS)	December 2017	December 2016
EPS based on the weighted average number of ordinary shares (cents per share)		
Basic and diluted earnings per share for the half year	(0.34)	(0.18)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements set out on pages 13 to 18.

Statement of Changes in Equity

For the half-year ended 31 December 2017			
	Issued Capital \$'000	Accumulated Losses \$'000	Total \$'000
At 30 June 2017	41,436	(26,996)	14,440
Total comprehensive income for the period			
Loss for the period	-	(453)	(453)
Total comprehensive loss for the period	-	(453)	(453)
Transactions with owners, recorded directly in equity			
Dividends declared and paid	-	-	-
Capital returned to shareholders	-	-	-
Total transactions with owners	-	-	-
At 31 December 2017	41,436	(27,449)	13,987

For the half-year ended 31 December 2016			
	Issued Capital \$'000	Accumulated Losses \$'000	Total \$'000
At 30 June 2016	50,253	(21,350)	28,903
Total comprehensive income for the period			
Loss for the period	-	(246)	(246)
Total comprehensive income for the period	-	(246)	(246)
Transactions with owners, recorded directly in equity			
Dividends declared and paid	-	(2,984)	(2,984)
Capital returned to shareholders	(5,154)	-	(5,154)
Total transactions with owners	(5,154)	(2,984)	(8,138)
At 31 December 2016	45,099	(24,580)	20,519

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes to the financial statements set out on pages 13 to 18.

Statement of Cash Flows

For the half-year ended 31 December	2017 \$'000	2016 \$'000
Cash flows from operating activities		
Dividends and distributions received	18	3,625
Interest received	7	90
Taxes paid	(5)	(93)
Payments to suppliers and Directors	(259)	(725)
Net cash flows (used in)/from operating activities	(239)	2,897
Cash flows from investing activities		
Proceeds from sale of unlisted private equity investments	-	2,118
Purchases of unlisted private equity investments	-	(101)
Proceeds from capital returned on unlisted private equity investments	644	4,973
Net cash flows from investing activities	644	6,990
Cash flows from financing activities		
Capital returns paid	-	(5,154)
Dividends paid	-	(2,984)
Net cash flows used in financing activities	-	(8,138)
Net increase in cash & cash equivalents held	405	1,749
Add opening cash and cash equivalents brought forward	1,353	1,035
Cash and cash equivalents at end of the period	1,758	2,784

The above Statement of Cash Flows should be read in conjunction with the accompanying notes to the financial statements set out on pages 13 to 18.

Notes to the Financial Statements

For the half-year ended 31 December 2017

1. Corporate Information

The half-year financial report of IPE Limited for the period ended 31 December 2017 was authorised for issue in accordance with a resolution of the Board of Directors on 16 February 2018.

IPE Limited is a Company limited by shares incorporated in Australia which are publicly traded on the Australian Stock Exchange.

2. Summary of significant accounting policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Company as the full financial report. The half-year financial report should be read in conjunction with the annual financial report of IPE Limited as at 30 June 2017. It is also recommended that the half-year financial report be considered together with any public announcements made by the Company during the half-year ended 31 December 2017 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules and the *Corporations Act 2001*.

(a) Statement of compliance

These interim financial statements have been prepared in accordance with AASB 134: *“Interim Financial Reporting”*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the Company as at and for the year ended 30 June 2017.

(b) Basis of preparation

The half-year financial report has been prepared on a historical cost basis, except for the Company's private equity investments that have been measured at fair value.

These financial statements are presented in Australian dollars, which is the Company's functional currency.

The Company is of a kind referred to in ASIC Corporations Instrument 2016/191 (Rounding in Financial/ Directors' Reports) effective 1 April 2016 and in accordance with that rounding instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

(c) Changes in accounting policies

The accounting policies applied by the Company in the half-year financial statements are the same as those applied by the Company in its annual financial statements for the year ended 30 June 2017.

(d) Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial report as at and for the year ended 30 June 2017.

Notes to the Financial Statements (continued)

For the half-year ended 31 December 2017

3. Dividends and capital returns

No dividends and capital returns were paid by the Company during the period.

The following dividend and capital return were paid by the Company in the previous corresponding period:

Declaration date	Payment type	Cents per share	Total amount \$'000	Payment date
26 October 2016	Capital Return	3.80	5,154	25 November 2016
26 October 2016	Dividend	2.20	2,984	25 November 2016

The Company's dividend reinvestment plan has been suspended.

No dividends or capital returns have been declared since the end of the period.

4. Operating Segments

The Company has one operating segment: Investments in Private Equity. For this segment, the Managing Director reviews internal management reports in relation to the Company's private equity investments on at least a monthly basis.

Reportable segment information	Private Equity Investment Segment	
	December	December
	2017 \$'000	2016 \$'000
External revenues	1,232	3,738
Reportable segment (loss)/profit before income tax	(222)	(24)
	December 2017 \$'000	June 2017 \$'000
Reportable segment assets	12,324	13,145
Reportable segment liabilities	-	-

Notes to the Financial Statements (continued)

For the half-year ended 31 December 2017

Reconciliation of reportable segment profit	December 2017 \$'000	December 2016 \$'000
Total loss before income tax for reportable segment	(222)	(24)
Unallocated amounts:		
Non segment revenues	8	23
Other corporate expenses	(206)	(175)
Loss before income tax	(420)	(176)

Reconciliation of reportable segment assets	December 2017 \$'000	June 2017 \$'000
Total assets for reportable segment	12,324	13,145
Other assets	1,763	1,394
Total assets	14,087	14,539

Reconciliation of reportable segment liabilities	December 2017 \$'000	June 2017 \$'000
Total liabilities for reportable segment	-	-
Other liabilities	100	99
Total liabilities	100	99

Geographical segments

The Company's investments are domiciled in Australia (2016: Australia and New Zealand).

In presenting information on the basis of geographical segments, segment revenue and non-current assets are based on the geographical location of investments.

Revenues/(expenses)	December 2017 \$'000	December 2016 \$'000
Australia	1,232	2,730
New Zealand	-	1,008
Total revenue	1,232	3,738

Non-current investment assets	December 2017 \$'000	June 2017 \$'000
Australia	12,315	13,135
New Zealand	-	-
Total non-current investment assets	12,315	13,135

Notes to the Financial Statements (continued)

For the half-year ended 31 December 2017

5. Income tax expense

Reconciliation between tax expense and pre-tax accounting profit	December 2017 \$'000	December 2016 \$'000
Loss for the period	(453)	(246)
Total income tax expense	33	70
Loss excluding income tax	(420)	(176)
Income tax benefit using the Company's tax rate of 30% (2016: 30%)	126	(53)
Permanent differences in relation to deferred and current income and expenditure	(126)	144
Gross up of income due to franking credits received	-	10
Franking credit rebate	-	(33)
Under provision in prior years	33	2
Income tax expense reported in income statement	33	70

6. Commitments

Estimated commitments contracted for, but yet to be called as at 31 December 2017 are \$0.8 million (30 June 2017: \$0.8 million).

These commitments reflect the capital commitment in respect of future investments in current private equity investments held. All of the private equity funds in the portfolio have completed their investment programs so future drawdowns are likely to be for modest amounts and portions of the undrawn commitments are likely to be cancelled as future requirements become more certain.

The Board aims to achieve sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

7. Contingent liabilities and contingent assets

(a) Contingent liabilities

There have not been any changes in contingent liabilities since the last reporting date. The contingent liabilities of the Company are nil (June 2017: nil).

(b) Contingent assets

There have not been any changes in contingent assets since the last reporting date. The contingent assets of the Company are nil (June 2017: nil).

Notes to the Financial Statements (continued)

For the half-year ended 31 December 2017

8. Subsequent events

On 29 January 2018, it was announced that a definitive agreement had been signed for the sale of all the equity in ThreatMetrix. ThreatMetrix is the largest underlying exposure in the Company's portfolio (held in CM Capital Venture Trust 4) and the value implied in the sale is significantly above its carrying value at 31 December. The ultimate return to IPE from the transaction is some time off and still subject to a number of conditions and variables, however the impact on the Company's NTA is likely to be material. At 31 December the Company's NTA was \$0.103. With all other elements of the NTA unchanged this sale price could move the NTA to more than \$0.14.

No other matters or circumstances have arisen since the end of the reporting period which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company.

9. Fair value measurement of financial instruments

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Group's financial assets and financial liabilities measured and recognised at fair value at 31 December 2017 and 30 June 2017 on a recurring basis are as follows:

31 December 2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets designated as fair value through profit or loss	-	-	12,315	12,315
	-	-	12,315	12,315

30 June 2017	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Financial assets designated as fair value through profit or loss	-	-	13,135	13,135
	-	-	13,135	13,135

Notes to the Financial Statements (continued)

For the half-year ended 31 December 2017

(b) Measurement of fair value of financial instruments

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Unlisted private equity investments

The Company's investments are valued differently according to their differing legal structures:

- Investments in private equity trusts are valued by multiplying a unit price provided by the investment manager by the number of units the Company holds in the trust;
- Venture Capital Limited Partnerships (VCLP) are valued using a value of the VCLP assets provided by the investment manager of the partnership proportioned by the Company's share of VCLP assets under the partnership agreement.

(c) Level 3 fair value measurements

The following table presents the changes in financial instruments classified within Level 3:

Reconciliation of Level 3 balances in the fair value hierarchy	2017 \$'000	2016 \$'000
Beginning balance at 30 June	13,135	28,898
Unrealised losses for the period recognised in the profit or loss	(1,392)	(2,911)
Purchases and calls paid for unlisted private equity investments	-	101
Capital returns from unlisted private equity investments	572	(4,973)
Proceeds from sale of unlisted private equity investments	-	(2,118)
Ending balance at 31 December	12,315	18,997

There have been no transfers between the levels of the fair value hierarchy during the six months to 31 December 2017.

10. Fees to the manager

The Manager is entitled to a Management Fee which is calculated on the last business day of each month and paid no less frequently than quarterly. Fees for the period to 31 December 2017 were \$62,076 (2016: \$116,104).

The Manager is also entitled to a Performance Fee calculated annually over three year rolling periods ending on 30 November each year. During the period to 31 December 2017 no Performance Fee was payable for the period 30 November 2014 to 30 November 2017 (2016: \$289,949).

Directors' Declaration

In the opinion of the Directors of IPE Limited (the Company):

- (a) the financial statements and notes set out on pages 9 to 18 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *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.

Signed in accordance with a resolution of the Directors:

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

Geoff Brunsdon

Chairman

Sydney

16 February 2018

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Independent Auditor's Review Report To the Members of IPE Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of IPE Limited (the Company), which comprises the statement of financial position as at 31 December 2017, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of IPE Limited does not give a true and fair view of the financial position of the Company as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Director's Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of IPE Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

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



Grant Thornton Audit Pty Ltd
Chartered Accountants



G S Layland
Director – Audit & Assurance

Sydney, 16 February 2018