IPE Limited

IPE Limited
ABN 48 107 843 381
c/o Pomona Australia Pty Limited
Level 12, 83 Clarence Street
Sydney NSW 2000 Australia

22 August 2014

The Manager, Listings
Company Announcements Office
Australian Securities Exchange
Level 4, Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

2014 Appendix 4E and Annual Report

Attached are:

- The Appendix 4E for 30 June 2014;
- The Company's 2014 Annual Report

The Annual Report will be sent to shareholders on 1 September 2014 for those shareholders who have elected to receive a hard copy.

The Annual Report will also be posted on the Company's website: www.ipelimited.com.au

Yours sincerely,

Sam Jackson
Company Secretary

IPE Limited

IPE Limited

(Formerly known as ING Private Equity Access Limited)
ABN 48 107 843 381

Appendix 4E
Preliminary Final Report
For the period ending 30 June 2014

ASX Disclosures as required by ASX Listing Rule 4.3A

1. Reporting period ("current period"): Financial year ended 30 June 2014

   Previous corresponding period: Financial year ended 30 June 2013

2. Results for announcement to the market:

2.1	Revenue from ordinary activities ($'000)	Up	26%	$9,181
2.2	Profit/(Loss) from ordinary activities after tax attributable to members ($'000)	Down	26%	$2,846
2.3	Profit/(Loss) for the period attributable to members ($'000)	Down	26%	$2,846
2.4	2014 Dividends & Capital Returns:			Franking
	Interim dividend paid on 5 December 2013	3.00 cps		100%
	Capital return paid on 18 July 2014	4.00 cps		N/A
	2013 Dividends:			
	Interim dividend paid on 9 November 2012	2.25 cps		100%
	Interim dividend paid on 19 July 2013	3.50 cps		100%
2.5	Record date for determining 2014 final dividend entitlement	Not applicable		
2.6	Brief Explanation: Refer Annual Report (attached)			

3. Statement of Profit or Loss and Other Comprehensive Income 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. Statement of Change in Equity – refer attached.

7. Dividends – refer attached. No part of the dividend paid during the year was foreign sourced.

8. Dividend Reinvestment Plan – the Plan has been suspended and there is no intention to re-instate it.

9. Net tangible assets per share:

Period	NTA per share before tax	NTA per share after tax
30 June 2013	$0.449	$0.472
30 June 2014	$0.416	$0.423

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 attached.

15. This report is based on accounts which have been audited. Refer attached audit report.

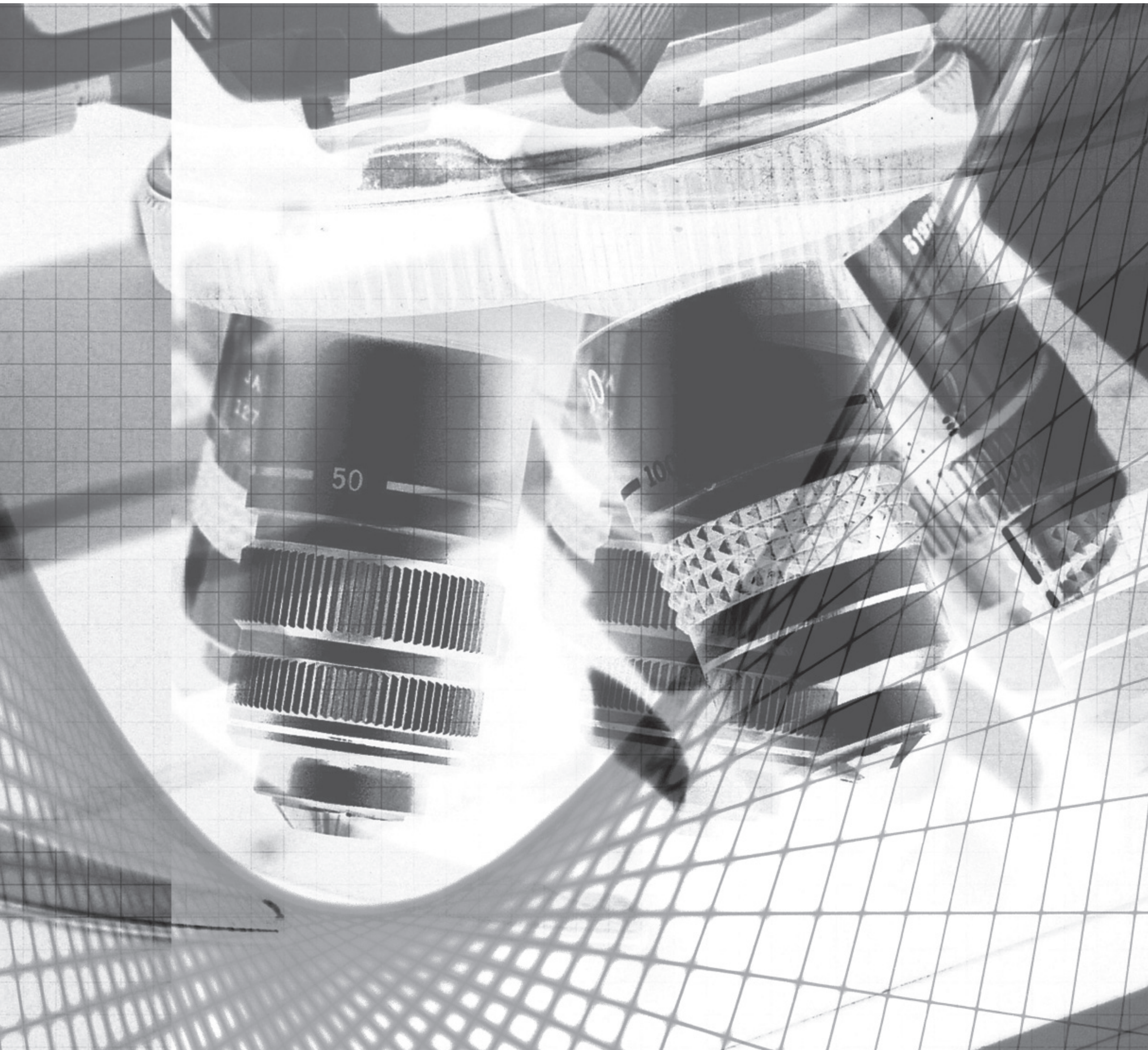
16. Subsequent to year end, a 3.5 cents per share capital return was declared on 15 August with a record date of 27 August and payment date of 16 September.

IPE Limited

Formerly known as ING Private Equity Access Limited

ANNUAL REPORT 30 JUNE 2014

ABN 48 107 843 381



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Calendar

OCTOBER 2014 Friday, 10 October Monthly NTA Release Wednesday, 29 October Annual General Meeting	NOVEMBER 2014 Tuesday, 11 November Monthly NTA Release	DECEMBER 2014 Thursday, 11 December Monthly NTA Release
JANUARY 2015 Monday, 12 January Monthly NTA Release	FEBRUARY 2015 Tuesday,10 February Monthly NTA Release Friday, 20 February Half Yearly Results Release	MARCH 2015 Tuesday, 10 March Monthly NTA Release
APRIL 2015 Friday, 10 April Monthly NTA Release	MAY 2015 Monday, 11 May Monthly NTA Release	JUNE 2015 Wednesday, 10 June Monthly NTA Release
JULY 2015 Friday, 10 July Monthly NTA Release	AUGUST 2015 Tuesday, 11 August Monthly NTA Release Friday, 21 August Annual Results Release	SEPTEMBER 2015 Thursday, 10 September Monthly NTA Release

2014 ANNUAL GENERAL MEETING

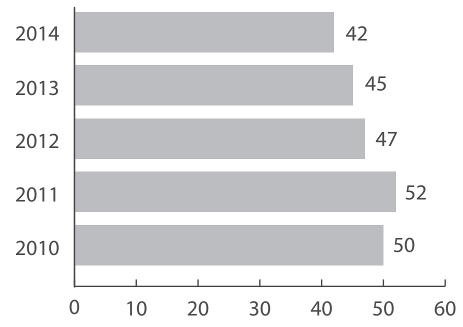
The 2014 Annual General Meeting (AGM) for IPE Limited will be held as follows:

Date: Wednesday 29 October 2014
Time: 2.00pm for 2.30pm start
Venue: Offices of Grant Thornton
Level 17, 383 Kent Street, Sydney, NSW

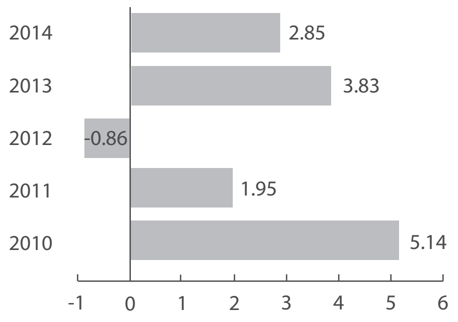
Details about the items of business to be considered at the AGM are contained in the separate Notice of 2014 Annual General Meeting sent to investors.

Five Year Summary

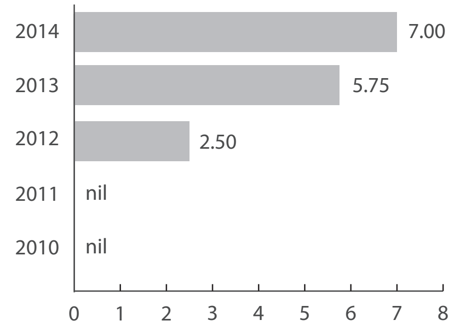
NET ASSET VALUE (pre tax cents per share)



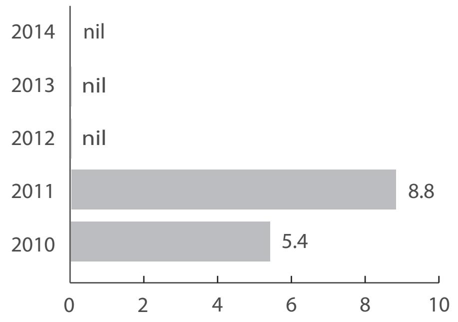
NET PROFIT AFTER TAX ($m)



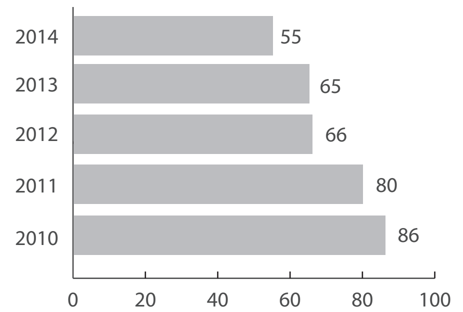
CASH TO SHAREHOLDERS (cents per share)



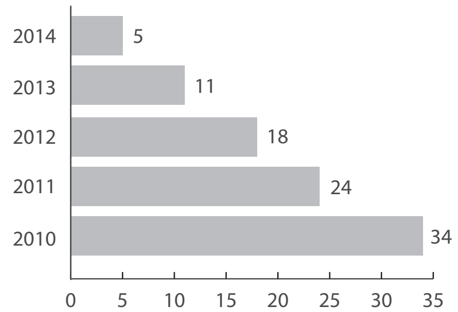
NET BANK DEBT ($m)



NUMBER OF UNDERLYING INVESTMENTS



UNDRAWN PRIVATE EQUITY COMMITMENTS ($m)



Statement by the Chairman

The Company has enjoyed a year with significant cash generation and a number of milestones reached.

All of the portfolio funds have now completed their new investment programs and the outstanding private equity commitments reduced by more than 50% to a very manageable $5 million. Relatively stable financial markets enabled the portfolio to benefit from company recapitalisations and a receptive exit environment which produced cash that the Company was able to use to pay a fully franked dividend of three cents per share. In addition, the changes in the portfolio obligations meant that the Company was able to recommend the first of its capital returns as part of the gradual wind-down of operations.

Following shareholder approval and confirmation from the Tax Office of its capital nature, a four cents per share capital return was declared in late June and paid in mid-July. Pleasingly, we have been able to follow this with a further 3.5 cents per share declared on 15th August.

At two shareholder meetings during the year shareholders approved a change to the Company's name and an effective way to ensure that any surplus capital can readily be returned to shareholders. We shall be asking shareholders again at the AGM to provide the Board with flexibility to continue paying returns of capital in an efficient manner. Having received an initial positive response, we anticipate asking the Tax Office on an annual basis to confirm the nature of any capital returns thus providing certainty of tax treatment for shareholders. Capital returns will be in addition to any dividends that the Company is able to pay.

The portfolio still provides exposure to more than 50 companies and we expect further exits and cash generation over the next twelve months and beyond though it is impossible to predict the timing or nature of those cash flows. The Board remains conscious of its responsibilities in ensuring that the Company operates as efficiently as possible and continues to strive to maximise value for shareholders and we hope for another strong year to June 2015.

On behalf of the Board, thank you for your continued support and I hope you will join us at the AGM which will be held on Wednesday, 29 October, at the offices of Grant Thornton in Sydney.

Geoff Brunsdon
Chairman
22 August 2014

Investment Strategy

The private equity program was developed on a multi-manager (or "fund of funds") basis, with the aim of building a well-diversified portfolio of private equity funds managed by a selection of professional private equity managers. The current position and strategy is:

- commitments to 16 private equity funds were put in place to build the Company's exposure to private equity investments;
- commitments were originally made to ensure steady "vintage year" diversification but there have been no further commitments following the change in strategy announced in June 2009;
- as private equity funds generally operate on a partly paid basis, the Company's private equity commitments have been funded gradually over many years;
- funding for the remaining commitments will be sourced mainly from internal cash generation with a small debt facility available as back-up. Sales of part of the portfolio or equity raising could also be considered as "reserve" sources of funding; and
- dividends and capital returns will be paid to investors as the portfolio is wound down.

Pomona Australia Pty Limited ("Pomona") ABN 65 146 787 091 has been appointed as manager to implement the Company's investment strategy.

Operating and Financial Review

KEY ITEMS

Net profit after tax	$2.85 million
Net assets	$57.80 million
Net tangible asset backing (pre tax)	$0.416 per share
Debt	nil
Debt facility limit	$2.0 million
Cash (before capital return payment)	$10.1 million
Dividends paid	3.5 cps ($4.8 million) 3.0 cps ($4.1 million)
Return of capital declared	4.0 cps ($5.5 million)
Number of private equity funds	16
Number of underlying investments	55
Undrawn commitments	$5.1 million

CASH FLOW AND EARNINGS

The Company produced an after tax profit of $2.85 million for the year compared with a profit last year of $3.83 million. The after tax profit was $4.30 million before the impact from a prudent impairment of the deferred tax asset. The decision on the impairment reflected the diminishing portfolio and hence greater uncertainty about the timing of realisations. The impairment is an accounting treatment and has no impact on the tax position of the Company.

It was a very strong year for private equity funds with credit and listed market conditions enabling recapitalisations on favourable terms, increased funding availability for trade buyers and a receptive IPO market for both full and partial exits. The most significant, cash-generative realisations were the exits of:

- Ezibuy and Global Television by Catalyst Buyout Fund 1
- Asaleo Care and Peters Ice Cream by Pacific Equity Partners Fund IV
- Summerset Retirement Villages (final exit) by Quadrant Private Equity No. 2
- Guardian Childcare by Wolseley Partners Fund II

In addition, HPEF II contracted to sell Endeavour Learning but the sale did not settle before 30 June.

IPOs were usually achieved with the private equity sellers retaining an escrowed stake for at least a year but with significant amounts released on listing.

Partial exits via IPOs were achieved for:

- Veda Advantage and Spotless Group , both held by Pacific Equity Partners' funds
- The PAS Group, held by Propel Private Equity Fund II
- iSentia, held by Quadrant Private Equity Fund No. 2

Pacific Equity Partners was particularly active with recapitalisations enabling significant cash returns before the eventual sales of many assets later in the year.

These realisations and recapitalisations, plus more modest contributions from many other funds in the portfolio, generated cash for the Company of $20.0 million. The cash needs of the portfolio reflected the maturing position of its life cycle and were relatively modest, at $4.3 million. This net result once again materially enhanced the Company's cash position and the Board was pleased to be able to declare a fully franked dividend of 3.0 cents per share in the first half of the year and propose a 4.0 cents per share capital return which was approved by Shareholders and declared in June before payment in mid-July. (These were in addition to the 3.5 cents per share dividend paid in July 2013 but declared in the prior year).

The dividend and capital return were only declared after careful consideration of the Company's portfolio outlook, expectations of net cash-flows, debt capital availability and the level of undrawn private equity commitments. All of those factors will continue to be assessed but we expect the Company to continue to pay dividends or capital returns over the next couple of years if the exit environment also continues to be relatively benign.

NET ASSET BACKING

The underlying value of the investment portfolio is captured in the net tangible assets ("NTA") disclosed monthly to the ASX.

The NTA at 30 June was $57.8 million (2013: $64.5 million) after having paid or provided for $9.68 million in dividends and capital returns during the year. Pre-tax NTA per share moved from $0.449 ($0.472 post-tax) at 30 June 2013 to $0.416 ($0.423 post-tax) at balance date.

Overall, the year-end portfolio valuations reflected a cautious approach to market conditions which continue to be strong but with some concern for a correction reflecting geo-political uncertainty.

Investors can access monthly NTA releases from the Company's website at www.ipelimited.com.au, via the ASX website or by contacting their broker.

CAPITAL MANAGEMENT

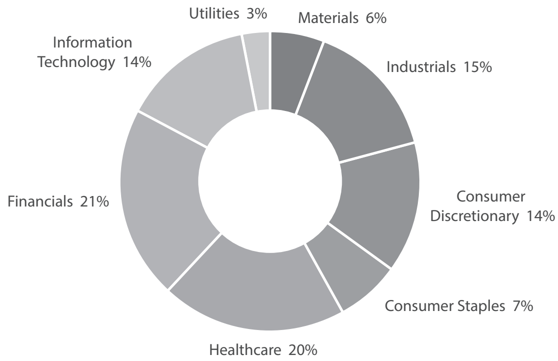
At balance date the Company had $5.1 million of undrawn private equity commitments ($11.1 million as at 30 June 2013), a reduction of more than 50% over the year. Part of that $6.0 million reduction resulted from a release of commitments by a couple of funds but $4.3 million was called for portfolio purposes. Now that all funds have completed their new investment programs, the demands on the undrawn commitments should be for relatively small amounts and able to be met from managing the cash resources of the Company. Nevertheless, it was considered prudent to maintain a small debt facility which provides the Company with additional flexibility in maximising cash flows back to shareholders. Consequently, with the debt facility due to expire in July 2014, our banker was approached for a 12 month extension and a facility limit reduction to $2 million. National Australia Bank was supportive and servicing costs have again been reduced. There is no debt drawn at year-end.

The portfolio is firmly in its harvesting phase and the capital nature of any returns can be readily identified. The past year witnessed the shareholder approval for commencement of capital returns (with Australian Tax Office confirmation for the initial four cents per share). We expect such payments to continue but only after careful consideration of the portfolio needs and any other obligations that the Company may incur.

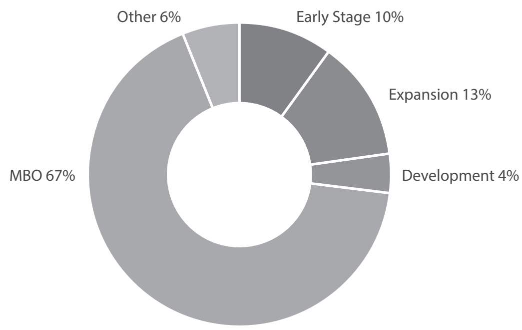
PORTFOLIO DIVERSIFICATION

The private equity portfolio is diversified by investment management team, investment stage, company size, industrial sector, geography, deal size and maturity. With 55 underlying investments the portfolio still provides a broad spread of promising opportunities.

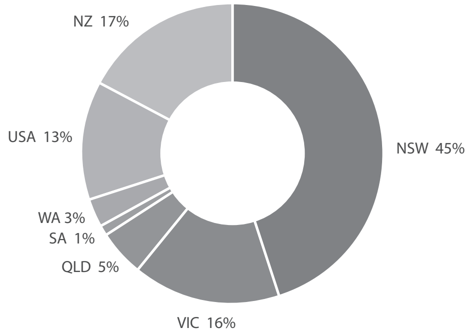
Industry sector exposure



Underlying investment stage



Head office location



> Diversification by sector, stage and geography.

PRIVATE EQUITY PORTFOLIO

The Company's primary focus has been to build a diversified portfolio of institutional-grade private equity funds. Since the last Annual Report, the Company's private equity commitments reduced (due to another small commitment release) to approximately $123.1 million and the undrawn amount reduced to $5.1 million.

The summary of the portfolio as at 30 June 2014 is:

	Investment focus	Fund size ($m)	Committed ($m)	Capital drawn ($m)	Capital to be drawn ($m)	Cash back ($m)
Archer Capital Fund 3	MBO	397.0	6.6	6.5	0.1	11.6
Archer Capital Fund 4	MBO	1,312.4	9.7	9.0	0.6	9.4
Catalyst Buyout Fund 1	MBO	390.0	8.0	8.0	0.0	5.2
CM Capital Venture Trust No 4	Venture	153.5	8.0	7.6	0.4	0.6
Direct Capital Partners III ($A equiv)	Exp / MBO	57.1	7.0	6.7	0.3	7.1
HPEF II	Exp / MBO	180.5	8.0	7.9	0.1	4.4
Ironbridge Capital 2003/4 Fund	MBO	450.0	5.0	4.8	0.2	3.8
NBC Private Equity Fund II	Exp / MBO	98.6	6.0	6.0	0.0	0.4
NBC Private Equity Fund III	Exp / MBO	101.2	10.0	9.8	0.2	3.8
Pacific Equity Partners Fund III	MBO	1,254.0	7.9	7.5	0.4	5.0
Pacific Equity Partners Fund IV	MBO	3,261.0	8.0	7.2	0.8	3.3
Propel Private Equity Fund II	Exp / MBO	70.8	3.4	3.4	0.0	5.9
Quadrant Private Equity No. 1	Exp / MBO	265.0	8.0	8.0	0.0	8.4
Quadrant Private Equity No. 2	Exp / MBO	480.0	9.6	8.8	0.8	16.0
Wolseley Partners Fund I	Exp / MBO	107.4	8.0	8.0	0.0	2.3
Wolseley Partners Fund II	Exp / MBO	235.0	10.0	8.8	1.2	3.1
Total			123.1	118.0	5.1	90.2

Note 1. Numbers subject to rounding.
Note 2. "Exp / MBO" means expansion capital and management buy-outs.

The underlying private equity portfolio again decreased over the year. There were 15 totally exited (set out below), only a few added and the portfolio ended with exposure to 55 ongoing opportunities. In addition to the list below, the partial IPO exits mentioned previously were important in creating paths to eventual total exit, though the outcomes may depend heavily on market conditions going forward.

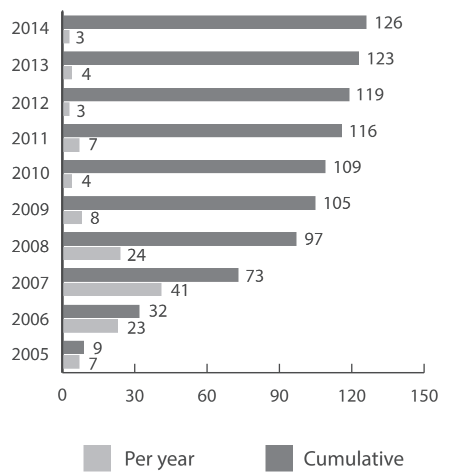
Fund	Company	Total return as a multiple of cost
Catalyst Buyout Fund 1	Ezibuy Global Television	1.6x 3.9x
CM Capital Venture Trust 4	Adgent Pathway Therapeutics Mesaplexx	0.0x 0.0x 0.6x
Direct Capital Partners III	Shears & Mac	0.0x
HPEF II	Bras-n-Things Endeavour Learning	0.4x 2.9x
NBC Private Equity Fund II	BCP	0.0x
Pacific Equity Partners Fund IV	Peters Ice Cream Asaleo Care	2.7x 2.8x
Quadrant Private Equity No. 1	Ortho Group	0.4x
Quadrant Private Equity No. 2	Summerset Retirement Villages	2.6x
Wolseley Partners Fund I	Next Media	0.9x
Wolseley Partners Fund II	Guardian Childcare	2.3x

With only a couple of managers still building their portfolios the number of new investments was small and follow–on activity was relatively subdued. Three new deals were settled to complete the overall portfolio, as summarised in the table below:

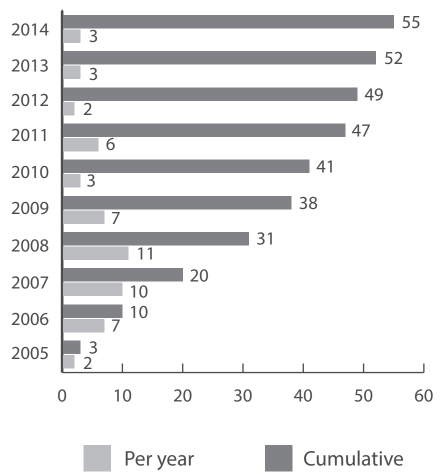
Fund	Company	Description
NBC Private Equity Fund III	Statseeker Didasko Learning	Designs, develops, sells, supports monitoring software Vocational and higher education provider for IT sector
Wolseley Partners Fund II	Nexus Day Hospitals	Day hospital operator focused on the ophthalmology sector

The slowed investment pace means that the average holding period of investments within the portfolio has increased again, with 69% now more than five years old (the usual holding period of a private equity investment is between 4 to 7 years within a fund life of 10 years).

No. of underlying investments (including exits)



No. of underlying investments (excluding exits)



The years in the tables above are financial years.

SUMMARY OF 20 LARGEST PRIVATE EQUITY EXPOSURES

(As a percentage of the value of the Company's total assets as at 30 June 2014.)

Fund	Date invested	Company	Percentage
Pacific Equity Partners Fund III & IV	Jul-07	Veda Advantage (ASX:VED)	7.16%
Wolseley Partners Fund II	Nov-12	Blue Star	4.89%
Pacific Equity Partners Fund III	Sep-06	Link Administration Holdings	3.70%
Co-Investment	Jun-07	Vitaco	3.62%
Archer Capital Fund 4	Jun-11	Healthe Care Australia	3.43%
CM Capital Venture Trust No 4	Feb-08	ThreatMETRIX Inc	3.39%
Wolseley Partners Fund I & II	Apr-07	Cox Gomyl	3.26%
Quadrant Private Equity No. 1	Mar-06	Seniors Money International	2.99%
Quadrant Private Equity No. 2	Jul-10	iSentia Group (ASX:ISD)	2.80%
Pacific Equity Partners Fund IV	Jun-08	American Stock Transfer	2.44%
Direct Capital Partners III	Nov-05	NZ Pharmaceuticals	2.32%
NBC Private Equity Fund III	Oct-13	Didasko Learning	2.26%
Wolseley Partners Fund II	Jul-10	Abergeldie Group	2.26%
Pacific Equity Partners Fund IV	Jan-10	Energy Developments (ASX:ENE)	2.24%
NBC Private Equity Fund III	Dec-12	Degani Australia	2.22%
Pacific Equity Partners Fund IV	Aug-12	Spotless Group (ASX:SPO)	2.00%
Archer Capital Fund 4	Jun-11	Quick Service Restaurants	1.82%
Wolseley Partners Fund II	Apr-10	Byron Group	1.68%
Archer Capital Fund 4	Jan-09	MYOB	1.67%
Direct Capital Partners III	Aug-08	NZ King Salmon	1.58%
Total			**57.72%**

PRIVATE EQUITY FUND INVESTMENTS

ARCHER CAPITAL

www.archercapital.com.au

Archer Capital is a leading private equity investment house which has enjoyed a long presence in the Australian buy-out market. Sydney-based Archer invests in leveraged buy-outs, seeking companies with strong market positions and/or growth potential, leading to strong, stable cash flows. All investments in Archer Capital Fund 3 have now been sold and the fund awaits formal wind-up.

Archer Capital Fund 4	**% of IPE assets**
MYOB Software systems	1.7%
Brownes Producer of milk, juice and yoghurt	0.1%
V8 Supercars Controls Australia's most popular motor sport	1.0%
Healthe Care Australia Operates regional hospitals mainly in NSW and VIC	3.4%
Quick Service Restaurants Fast food operator – Red Rooster, Chicken Treat, Oporto	1.8%

CATALYST INVESTMENT MANAGERS

www.catalystinvest.com.au

Sydney-based Catalyst has a mid-market buyout and expansion capital focus investing in companies with enterprise values of between $50 million and $300 million.

Catalyst Buyout Fund 1	**% of IPE assets**
Moraitis Group Pty Ltd Fresh produce wholesaler and distributor	0.3%
Max Fashions Women's clothing retailer	0.4%

TALU VENTURES

www.taluventures.com

Talu Ventures was established by a number of the executives of CM Capital as part of a succession transition and remains as a specialist venture capital manager based in Brisbane. The fund has invested in early stage companies in the life sciences, information technology and telecommunication sectors. Investments are generally funded over a number of years rather than with a single up-front amount.

CM Capital Venture Trust No 4	**% of IPE assets**
Altiris Drug company developing small molecule drug therapies	0.2%
Sunshine Heart Inc Developing a mechanical heart assist device	0.8%
Osprey Medical Inc Developing cardiovascular catheter systems	1.5%
Piedmont Pharmaceuticals LLC Specialty human and veterinary pharmaceuticals	1.3%
Ingenero Green energy supplier	0.0%
ThreatMETRIX Inc Anti fraud software for internet transactions	3.4%
Datacastle Corporation Enterprise software for data protection	0.9%
SpeeDx Pty Ltd Molecular diagnostics platform developer	0.6%

DIRECT CAPITAL

www.directcapital.co.nz

Based in Auckland, Direct Capital Partners focuses on mid-market expansion and management buyout investments in New Zealand and Australia. The founding directors established Direct Capital in 1994 and are considered to be pioneers of private equity in New Zealand.

Direct Capital Partners III	**% of IPE assets**
NZ Pharmaceuticals Manufactures and exports pharma intermediates and products	2.3%
Stratex Specialist in laminated plastic and foil packaging	0.5%
Rodd & Gunn Menswear apparel chain	0.1%
NZ King Salmon Salmon producer	1.6%
Fishpond Online retailer	0.1%

INDUSTRY FUNDS MANAGEMENT

www.ifminvestors.com.au

During FY2013 there was a change of the manager of the fund previously known as Hastings Private Equity Fund II. Following close consultation with investors, Industry Funds Management was appointed to manage out the remaining two investments and the fund name changed to HPEF II. Both investments were sold during FY2014 and the fund is proceeding to its formal termination.

IRONBRIDGE CAPITAL

www.ironbridge.com.au

Ironbridge Capital invests primarily in large management buy-out transactions in Australia and New Zealand working out of offices in Sydney and Auckland.

Ironbridge Capital 2003/4 Fund	% of IPE assets
Recreational Tourism Operates a chain of backpacker complexes	0.0%
STARDEX Specialist general insurance underwriting agency	0.0%
BBQSAM Operates the Barbeques Galore and Super A-Mart retail chains	1.2%

NBC CAPITAL

www.nbccapital.com.au

Brisbane-based NBC Capital focuses on small to medium sized management buy-outs and expansion capital opportunities across a range of industries.

NBC Private Equity Fund II	% of IPE assets
Withcott Seedlings Seedling producers for fresh vegetable markets	0.0%
Eagle Boys Pizza Franchised pizza business	0.2%

NBC Private Equity Fund III	
Hi Tech Express Specialised freight service provider	0.1%
Layby Services Australia Christmas hamper provider	0.6%
Degani Australia Licensor of the Degani café chain	2.2%
Statseeker Designs, develops, sells, supports monitoring software	0.3%
Didasko Learning Vocational and higher education provider for IT sector	2.3%

PACIFIC EQUITY PARTNERS

www.pep.com.au

PEP invests in large management buy-out opportunities in Australia and New Zealand. The PEP stable of funds started in 1998 and the investment team is now Australia's largest private equity firm having closed its fourth fund with commitments of $4 billion and currently raising its fifth.

Pacific Equity Partners Fund III	% of IPE assets
Xtralis Fire protection and video-based surveillance	1.3%
Griffins Food Limited Biscuit and snack foods business	1.2%
Link Administration Holdings Share registry and fund administration	3.7%
Veda Advantage Limited Business intelligence – credit research	5.6%
Hoyts Group Hoyts cinema and advertising	0.5%

Pacific Equity Partners Fund IV	
Hoyts Group Hoyts cinema and advertising	0.4%
American Stock Transfer US share registry provider	2.4%
Energy Developments Supplies renewable/low greenhouse gas emission energy	2.2%
Veda Advantage Limited Business intelligence - credit research	1.6%
Spotless Group Outsourced facilities management and services	2.0%

PROPEL INVESTMENTS

www.propelinvestments.com.au

Propel Private Equity Fund II is managed by Propel Investments which was founded in June 2007 by former executives of DB Capital Partners. The Fund has invested in majority and minority positions in Australian mid market management buy-out and buy-in deals.

Propel Private Equity Fund II	% of IPE assets
The PAS Group Wholesale apparel business	0.4%

QUADRANT PRIVATE EQUITY

www.quadrantpe.com.au

Quadrant's focus is on medium sized management buy-outs and expansion capital opportunities in Australia and New Zealand. The Sydney-based team has a long record of success.

Quadrant Private Equity No. 1	% of IPE assets
Seniors Money International Reverse mortgages for the over 60s	3.0%

Quadrant Private Equity No. 2	
Independent Pub Group Owner of gaming hotels	1.1%
iSentia Media services analysis	2.8%

WOLSELEY PRIVATE EQUITY

www.wolseleypartners.com.au

Wolseley Partners was established in 1999 as a Sydney-based firm providing consulting and advisory services. Its first private equity fund was established in 2005 focusing on controlling interests in mid-size unlisted manufacturing, distribution and services companies.

Wolseley Partners Fund I	**% of IPE assets**
Pacific Services Group Pty Limited Electrical contracting and services business	0.0%
CoxGomyl Manufactures building maintenance units for high rise	1.8%
Cartridge World Remanufacture of cartridges for office machines	0.1%

Wolseley Partners Fund II	
CoxGomyl Manufactures building maintenance units for high rise	1.4%
Cartridge World Remanufacture of cartridges for office machines	0.2%
Byron Group Manufactures ambulances & healthcare/aviation equip	1.7%
Abergeldie Group Engineering solutions for infrastructure projects	2.3%
AGS World Transport Freight forwarding business	1.3%
Blue Star Commercial printing and related services	4.9%
Nexus Day Hospitals Day hospital operator focused on the ophthalmology sector	0.9%

CO-INVESTMENTS

The portfolio has also included a few co-investments (direct investments in companies alongside a private equity manager) with only one remaining.

	% of IPE assets
Vitaco Supplier of nutritional supplements and alternative medicines	3.6%

Directors' Report

The Directors present their report together with the financial report of IPE Limited (the Company) for the financial year ended 30 June 2014 and the auditor's report thereon.

CORPORATE INFORMATION

Corporate structure

IPE Limited is a company limited by shares that is incorporated and domiciled in Australia. It has no parent entity.

Following shareholder approval on 31 October 2013, the Company changed its name from ING Private Equity Access Limited to IPE Limited.

Principal activities

The principal activity of the Company during the year was holding long-term investments in private equity funds. The Company began this activity after listing on the Australian Stock Exchange (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, Pomona Australia Pty Limited (the Manager), under the terms of a Management Agreement.

DIRECTORS

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

Geoff Brunsdon

Independent, Non-Executive Director and Chairman
Appointment date: 3 February 2004

Jon Schahinger

Managing Director
Appointment date: 3 February 2004

Don Stammer

Independent, Non-Executive Director
Appointment date: 3 February 2004

Qualifications

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

Geoffrey Brunsdon
BComm, FCA, FFINSA, FAICD
Independent and Non-Executive Director (Chairman)

Geoff Brunsdon is Chairman of Sims Metal Management Limited, APN Funds Management Limited and MetLife Insurance Limited. He was previously Managing Director and Head of Investment Banking of Merrill Lynch International (Australia) Limited and is also involved in several non-profit organisations. Geoff was appointed a Director and Chairman of the Company on 3 February 2004 and is a member of the Audit and Compliance Committee.

Jon Schahinger
BComm, CPA
Managing Director

The Manager 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 responsibility for all aspects of the Manager's private equity operations and has a background in accounting, finance and investment. Jon has been in the funds management industry for 25 years in both the listed and unlisted arenas and was appointed Managing Director on 3 February 2004.

Donald Stammer
MA (UNE), PhD (ANU)
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 is chairman of QVE Limited and has advisory roles with the Third Link Growth Fund, Altius Asset Management and Philo Capital Management. He is on the Board of the Australian Ecosystems Foundation Incorporated and is a member of the investment committees of the National Children's Medical Research Institute and Redkite. Don chaired Praemium Limited from 11 May 2006 to 20 March 2012. Don was appointed a Director on 3 February 2004 and is Chairman of the Audit and Compliance Committee.

Company secretary

The Company Secretary in office during the year was Sam Jackson (appointed 21 March 2011). Sam is a member of the Institute of Chartered Accountants Australia and Chief Financial Officer of the Company. He is also Company Secretary and Chief Financial Officer of the Manager.

Directors' meetings

The number of Directors' meetings (including meetings of committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	Directors' Meetings		Audit & Compliance Committee Meetings	
	Held	Attended	Held	Attended
Geoff Brunsdon	8	8	4	4
Jon Schahinger*	8	8	–	–
Don Stammer	8	8	4	4

* Jon Schahinger is not a member of the Audit and Compliance Committee.

Directors' interests

The relevant interest of each Director in the shares issued by the Company, as notified by the Directors to the ASX in accordance with S205(1) of the Corporations Act 2001, at the date of this report is as follows:

	Number of Ordinary Shares
Geoff Brunsdon	1,183,242
Jon Schahinger	1,000,000
Don Stammer	640,000

CORPORATE GOVERNANCE STATEMENT

In recognising the need for high standards of corporate behaviour and accountability, the Directors of the Company support the principles of corporate governance issued by the ASX. The Company's corporate governance statement is contained in a later section of this annual report.

REMUNERATION REPORT – AUDITED

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, and may include any Director. For the purposes of this report, the term 'executive' encompasses the Managing Director only.

Remuneration policy

The Company does not have a Remuneration Committee and 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. Currently, only Independent Directors are paid Directors' fees by the Company. The amount that these Directors receive is assessed from time to time having regard for the estimated future workloads and responsibilities of the Independent Directors of the Company and prevailing market conditions. There is no link between remuneration paid to Directors and corporate performance.

The Manager intends to pay up to 20% of any performance fees it receives to the Managing Director, Mr Jon Schahinger, who is remunerated by the Manager. Since inception, no performance fee has become due or payable by the Company to the Manager.

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:

	Short term benefits ($)		Post employment benefits ($)		Total remuneration ($)	
	2014	2013	2014	2013	2014	2013
Geoff Brunsdon	54,908	55,046	5,092	4,954	60,000	60,000
Jon Schahinger	-	-	-	-	-	-
Don Stammer	32,030	32,110	2,970	2,890	35,000	35,000
Total compensation	86,938	87,156	8,062	7,844	95,000	95,000

Under the current terms of the Company's constitution, the non-executive Directors as a whole may be paid or provided remuneration for their services, the total amount or value of which must not exceed an aggregate maximum of $150,000 per annum.

No remuneration is paid by the Manager (or the previous manager) directly to any Director for services as a Director of the Company. 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 2014 (2013: $nil).

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

Movements in shares

The movement during the reporting period in the number of ordinary shares in the Company held directly, indirectly or beneficially, by each key management person, including their related parties is as follows:

Director	1 July 2013	Purchases	Sales	30 June 2014
Geoff Brunsdon	1,183,242	-	-	1,183,242
Jon Schahinger	1,000,000	-	-	1,000,000
Don Stammer	640,000	-	-	640,000

Director	1 July 2012	Purchases	Sales	30 June 2013
Geoff Brunsdon	1,183,242	-	-	1,183,242
Jon Schahinger	1,000,000	-	-	1,000,000
Don Stammer	640,000	-	-	640,000

No shares were granted to key management personnel during the reporting period as compensation in 2013 or 2014.

Other related parties

Contributions to superannuation funds on behalf of Directors are disclosed in the remuneration report.

1,183,242 shares are held by Jesena Pty Limited at balance date. Geoff Brunsdon is a Director of Jesena Pty Limited and has the power to influence the voting rights and disposal of its equity holdings.

900,000 shares are held by Schank Superannuation Fund at balance date. 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.

640,000 shares are held by Meroma Pty Limited at balance date. Don Stammer is a Director of Meroma Pty Limited, and has the power to influence the voting rights and disposal of its equity holdings.

MANAGEMENT AGREEMENT

Management fee

In consideration for the services provided under the Management Agreement, 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.

The management fee is charged at the rate of 0.85% per annum of the gross asset value of the portfolio.

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 was 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 2014, no performance fee has been paid or become payable to the Manager (2013: $Nil).

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 year

Over the year financial market conditions proved very conducive for private equity cash-generative activities and the Company enjoyed strong inflows. The year also proved quite pivotal with the end of the investment periods for all portfolio funds which alleviated much of the burden of the Company's outstanding commitments. Highlights were:

- Payment of a 3.5 cents per share dividend in July 2013
- Payment of a 3.0 cents per share dividend in December 2013
- Outstanding commitments reduced by more than 50% to $5.1 million
- A reduction of the debt facility from $7 million to $2 million resulting in a reduction of facility fees
- Debt at year end remained at zero
- Shareholder approval for an efficient way to return capital
- ATO issuance of a class ruling on the capital return
- Commencement of capital returns with 4 cents per unit declared in June 2014

The net profit after providing for income tax amounted to $4.30 million before an impairment charge against deferred tax assets of $1.45 million reduced it to a total net after tax profit of $2.85 million (2013: profit of $3.83 million).

See the "Operating and Financial Review" on pages 4 to 14 for more detailed information.

Earnings per share for the reporting period based on the weighted average number of ordinary shares	**2014**	**2013**
Basic earnings per share (cents per share)	2.08	2.80
Diluted earnings per share (cents per share)	2.08	2.80

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 year.

Cash returns to shareholders

Dividends and returns of capital paid or declared by the Company since the end of the previous financial year were:

Declaration date	Cents per share	Total amount $'000	Payment date
Dividends			
19 Jun 2013	3.50	4,780	19 Jul 2013
31 Oct 2013	3.00	4,097	5 Dec 2013
Returns of capital			
25 Jun 2014	4.00	5,463	18 Jul 2014
15 Aug 2014	3.50	4,780	16 Sep 2014

Matters subsequent to the end of the financial year

Other than the return of capital noted in the table above, no 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.

Likely developments

Subject to macro-economic conditions, continued exit activity should enable the Company to further deliver on its strategy of winding down the portfolio and returning cash to shareholders.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Indemnification

The Company has agreed to indemnify the Directors of the Company against all liabilities to another person (other than the Company) that may arise from their position as Directors of the Company, except where the liability arises out of conduct involving lack of good faith. The agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

The Company has not indemnified the current or former auditors of the Company.

Insurance premiums

The Company paid insurance premiums of $47,313 in respect of the Directors' liability and legal expenses insurance contracts, for current and former Directors of the Company for the period from 30 September 2013 to 30 September 2014. The insurance premiums relate 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.

Disclosure of the limit of liability under the policy is prohibited under the terms of the insurance contract.

NON-AUDIT SERVICES

The Company's auditor, Grant Thornton, is also contracted to perform tax advisory services in relation to the preparation and lodgement of the Company's annual tax return. The fee quoted for this service in relation to the 2014 financial year was approximately $8,800 including GST (2013: $8,250).

The Board has considered the non-audit services provided during the year by the auditor and in accordance with a resolution of the Audit Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not (or will not) compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit Committee to ensure they do not impact the integrity or objectivity of the auditor; and
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics of Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid to the auditor of the Company, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out in Note 26.

Lead auditor's independence declaration

The lead auditor's independence declaration is set out on page 21 and forms part of the Directors' report for the financial year ended 30 June 2014.

ENVIRONMENTAL REGULATION

The Company's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation.

ROUNDING

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the Directors.

Geoff B

Geoff Brunsdon
Chairman

Sydney
22 August 2014

Lead Auditor's Independence Declaration

under S307C of the Corporations Act 2001

Grant Thornton

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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 audit of IPE Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

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

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director - Audit & Assurance

Sydney, 22 August 2014

Corporate Governance Statement

The Board of Directors of IPE Limited (the Board) is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company 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 "Corporate Governance Principles and Recommendations with 2010 Amendments – 2nd 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, if 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

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

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

In lieu of senior executives and the duties delegated to them, a formal statement delegating authority to the Manager has been established 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 and a process for a formal evaluation of the Manager is in place.

The Company has adopted a Board Charter to more fully adhere to the Recommendations by formally documenting the Board's purpose and role, and the powers reserved to the Board.

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 pages 16.

The Board consists of both independent and non-independent Directors. Directors of the Company are considered to be independent when they are independent of the Manager 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 and thus, during the reporting period the Company satisfied the ASX Recommendation with the majority of the Board comprising independent Directors.

The term in office held by each Director during the financial year is set out in the Directors' report on page 15.

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.

Performance evaluation of the Board

An internal process for a formal performance evaluation of the Board, its committees and individual Directors is in place. The Board decided that a comprehensive externally-led process would not add any value to the operation of the Board, given the style of operations of the Company.

In light of the Company's strategy, its maturing investment portfolio and the skill-sets of the Directors, the Board has concluded that it will continue with a membership of three.

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

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Code of conduct

While no separate, formal code of conduct exists, the Board Charter outlines the expectation of the Board, while carrying out its responsibilities and powers, to recognise its overriding duty and responsibility to act honestly, diligently, professionally, in accordance with the law and in the best interests of the Company's shareholders and other stakeholders.

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.

Diversity policy

As the Company has no employees it has not established a diversity policy but will take diversity into consideration when considering any changes to the composition of the Board. Currently there are no females on the Board.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit Committee

The Board has established an Audit and Compliance 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 and Compliance Committee.

The Audit and Compliance 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 and Compliance Committee are the independent Directors, who during the year were Don Stammer (Chairman) and Geoff Brunsdon.

Details of the qualifications of the members of the Audit and Compliance Committee can be found in the Directors' report.

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

For details on the number of meetings of the Audit and Compliance Committee held during the year and the attendees at those meetings, refer to page 17 of this financial report.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

The Company has provisions within its Board Charter requiring compliance with ASX Listing Rule disclosures. To meet these provisions, 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.ipelimited.com.au). The Board is careful to ensure that announcements are kept factual, clear and balanced at all times. Announcements generally take one of three forms:

- Monthly net tangible asset 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; and
- Ensure 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. Although the Company does not have a formal communications policy, normal Company practice is to disclose to shareholders (electronically and when required, by other means of communication) 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;
- Information releases;
- Company policies and charters; and
- Company contact details.

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

The Board has overall responsibility for oversight and management of risk as well as ensuring the adequacy of the internal control environment.

As much of the management of the Company has been delegated to the Manager, the Manager is obliged to maintain adequate internal risk management objectives, policies and procedures to manage the Company's material business risks and provides the Board with a report detailing such risks and advising whether those risks are being managed effectively. 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.

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

The policies and objectives surrounding the principal financial risks facing the Company have been outlined in note 6 "Financial risk management", 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.

Assurance under s295 of Corporations Act 2001

Prior to signing the Directors' Report and Directors' Declaration, and adopting the accounts, the Board receives assurances from the people performing the Chief Executive Officer and Chief Financial Officer functions of the Company. These assurances were received from:

- the Managing Director in his capacity as Chief Executive Officer of the Company; and
- the Chief Financial Officer of the Manager, who performs the Chief Financial Officer function for the Company.

These assurances are that the financial records of the Company have been properly maintained, the financial statements comply with the accounting standards, and that 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 $95,000 per annum (2013: $95,000). All Directors' payments are inclusive of committee fees and superannuation, and do not include any retirement benefits other than superannuation contributions made as part of those fees. For details on the breakdown of the Directors' remuneration, refer to page 17 and 18.

Presently, only the two independent Directors receive any remuneration from the Company because the non-independent Director is remunerated by the Manager. Under the current terms of the Company's constitution, the non-executive Directors as a whole may be paid or provided remuneration for their services, the total amount or value of which must not exceed an aggregate maximum of $150,000 per annum.

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.

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. No individual Director is directly involved in deciding his own remuneration.

Statement of financial position

As at 30 June	Note	2014 $'000	2013 $'000
CURRENT ASSETS			
Cash and cash equivalents	11a	10,084	5,322
Receivables	12	1,372	20
Prepayments	13	14	35
Total current assets		11,470	5,377
NON-CURRENT ASSETS			
Unlisted private equity investments	14	50,938	60,878
Deferred tax assets	15	3,184	4,627
Total non-current assets		54,122	65,505
Total assets		65,592	70,882
CURRENT LIABILITIES			
Payables	16	188	131
Provisions	17	5,469	4,787
Current tax liabilities	15	2,129	1,445
Total current liabilities		7,786	6,363
NON-CURRENT LIABILITIES			
Deferred tax liabilities	15	5	4
Total non-current liabilities		5	4
Total liabilities		7,791	6,367
Net assets		57,801	64,515
EQUITY			
Issued capital	19	67,542	73,005
Accumulated loss		(9,741)	(8,490)
Total equity		57,801	64,515

The above Statement of financial position should be read in conjunction with the accompanying notes to the financial statements set out on pages 31 to 55.

Statement of profit or loss and other comprehensive income

For the year ended 30 June	Note	2014 $'000	2013 $'000
REVENUE			
Dividends and distributions received		9,181	7,258
Total revenue		9,181	7,258
EXPENSES			
Change in net market value of financial assets held at fair value through profit or loss		(2,223)	(1,126)
Management fees	24	(538)	(562)
Directors' fees		(95)	(95)
Other expenses	8	(341)	(372)
Total expenses		(3,197)	(2,155)
Results from operating activities		5,984	5,103
FINANCE INCOME AND EXPENSES			
Finance income	9	129	57
Finance costs	9	(126)	(197)
Net finance income/(expense)		3	(140)
Profit before income tax		5,987	4,963
Income tax expense	10	(3,141)	(1,136)
Profit for the period		2,846	3,827
Other comprehensive income		-	-
Total comprehensive income for the period		2,846	3,827

EARNINGS PER SHARE (EPS)			
EPS based on the weighted average number of ordinary shares (cents per share)			
Basic and diluted earnings per share for the year	20	2.08	2.80

The above Statement of profit or loss and comprehensive income should be read in conjunction with the accompanying notes to the financial statements set out on pages 31 to 55.

Statement of changes in equity

For the year ended 30 June 2014	Issued Capital $'000	Ret. Earn./ (Accum. Losses) $'000	Total $'000
At 30 June 2013	73,005	(8,490)	64,515
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
Profit or loss	-	2,846	2,846
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	2,846	2,846
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY			
Dividends provided for or paid	-	(4,097)	(4,097)
Return of capital provided for or paid	(5,463)	-	(5,463)
Total transactions with owners	(5,463)	(4,097)	(9,560)
Total equity at 30 June 2014	67,542	(9,741)	57,801

For the year ended 30 June 2013	Issued Capital $'000	Ret. Earn./ (Accum. Losses) $'000	Total $'000
At 30 June 2012	73,005	(4,464)	68,541
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			
Profit or loss	-	3,827	3,827
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	-	3,827	3,827
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY			
Dividends provided for or paid	-	(7,853)	(7,853)
Total transactions with owners	-	(7,853)	(7,853)
Total equity at 30 June 2013	73,005	(8,490)	64,515

The above Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements set out on pages 31 to 55.

Statement of cash flows

For the year ended 30 June	Note	2014 $'000	2013 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Dividends and distributions received		7,836	7,308
Interest received		121	62
Income tax paid		(1,013)	(99)
Interest paid		(7)	(27)
Payments to suppliers and directors		(1,008)	(1,180)
Net cash flows from operating activities	11b	5,929	6,064
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of unlisted private equity investments		-	15
Proceeds from capital returned on unlisted private equity investments		12,676	5,168
Calls paid for unlisted private equity investments		(4,986)	(5,903)
Proceeds from sale of listed private equity investments		-	4
Proceeds of loans to shareholders of co-investments		20	112
Net cash flows from/(used in) investment activities		7,710	(604)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,000	2,000
Repayment of borrowings		(2,000)	(2,000)
Dividends paid		(8,877)	(3,067)
Net cash flows used in financing activities		(8,877)	(3,067)
Net increase in cash and cash equivalents held		4,762	2,393
Add opening cash and cash equivalents brought forward		5,322	2,929
Cash and cash equivalents at end of the period	11a	10,084	5,322

The above Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements set out on pages 31 to 55.

Notes to the financial statements

1. REPORTING ENTITY

IPE Limited (the "Company") is a Company domiciled in Australia. The address of the Company's registered office is Level 12, 83 Clarence Street Sydney, NSW 2000.

Prior to 31 October 2013, the Company was known as ING Private Equity Access Limited. The name change to IPE Limited was approved by shareholders at the Annual General Meeting held on that date.

The nature of the operations and principal activities of the Company are managing long-term investments in private equity funds.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial report of the Company complies with International Financial Reporting Standards (IFRS) and interpretations adopted by the International Accounting Standards Board (IASB). IPE Limited is a for-profit entity for the purpose of preparing financial statements.

The financial statements were authorised for approval by the Board of Directors on 22 August 2014.

(b) Basis of measurement

The financial report has been prepared on a historical cost basis, except for financial assets held at fair value through profit or loss which have been measured at fair value. The methods used to measure fair values are discussed further in note 5.

(c) Functional and presentation currency

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 Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, all financial information presented in Australian dollars has been rounded to the nearest thousand dollars ($'000) unless otherwise stated.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

- Note 5: Determination of fair values;
- Note 15: Tax assets and liabilities;
- Note 21: Financial instruments; and
- Note 22: Capital and other commitments.

(e) Overview of changes to accounting policies

The Company did not change its accounting policies during the year ended 30 June 2014.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currency translations

Transactions in foreign currencies are translated to Australian dollars at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at reporting date are retranslated to Australian dollars at the foreign currency rate at that date with any differences between the weighted average cost of foreign currency and the balance at reporting date being taken to profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Australian dollars at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss.

(b) Non-derivative financial assets

The Company has the following non-derivative financial assets: financial assets at fair value through profit or loss, cash and cash equivalents and receivables.

(i) Recognition and derecognition of non-derivative financial assets

The Company initially recognises receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

If the Company has the legal right to offset financial asset and liability amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously, these amounts are not offset. The gross amounts of these offsetting assets and liabilities are presented separately in the Statement of Financial Position.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

(ii) Non-derivative financial assets

Financial assets at fair value through profit or loss

All investments held by the Company are measured at fair value through profit or loss. This includes all listed and unlisted investments.

Cash and Cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with original maturities of 3 months or less.

Receivables

Receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest rate method.

Receivables comprise accrued interest, amounts receivable from the tax authorities and distributions receivable from unlisted private equity investments.

(c) Non-derivative financial liabilities

The Company initially recognises loans and borrowings on the date that they are originated. All other financial liabilities are recognised initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. If the Company has the legal right to offset financial asset and liability amounts and intends either to settle on a net basis or realise the asset and settle the liability simultaneously, these amounts are not offset. The gross amounts of these offsetting assets and liabilities are presented separately in the Statement of Financial Position.

The Company has the following non-derivative financial liabilities: loans and borrowings and trade and other payables.

Such financial liabilities are recognised initially at fair value excluding any directly attributable transaction costs.

Subsequent to initial recognition these financial liabilities are measured at amortised cost using the effective interest rate method.

(d) Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

(e) Revenue

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:

(i) 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 from unlisted private equity investments are considered to be passed to the buyer at the date the sale of the investment is settled, and the amount of the proceeds have been advised to the Company by the investment manager.

(ii) Financial assets at fair value through profit or loss

The net realised and unrealised movements in the values of the Company's financial assets at fair value through profit or loss during the year are recognised in profit or loss.

(iii) Dividends and distributions

Distributions from private equity investments are brought to account when the Company becomes entitled to the distribution and the amount can be measured reliably, which is ordinarily at the time it is received. Unlisted trust distributions are brought to account on a "present entitlement" basis at which time an adjustment is made to the fair value of the trust.

(iv) Foreign currency gains and losses

Foreign currency gains and losses are reported on a net basis.

(f) Finance income and finance costs

(i) Finance income

Finance income includes interest income on funds invested. Interest revenue is recognised as it accrues in profit or loss using the effective interest method.

(ii) Finance costs

Finance costs comprise interest expense on borrowings and fees in association with the Company's debt finance facility. Finance costs are recognised as they accrue in profit or loss using the effective interest method. Where fees represent a prepayment for a period ending after balance date, a corresponding prepayment has been recognised in the Statement of Financial Position.

(g) Income tax

Income tax expense comprises current and deferred tax. Current and deferred taxes are recognised in profit or loss.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company falls below the Taxation of Financial Arrangements ("TOFA") thresholds and therefore TOFA does not apply. The Company has not voluntarily elected to apply TOFA.

(h) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables, prepayments 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 a current asset or liability in the balance sheet.

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

(i) Earnings per share (EPS)

The Company presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

(j) Segment reporting

The Company determines and presents operating segments based on the information that is provided internally to the Managing Director, who is the Company's chief operating decision maker. The accounting policy in respect of segment operating disclosures is presented as follows:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues or incur expenses. An operating segment's operating results are reviewed regularly by the Managing Director to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Managing Director include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Unallocated items comprise:

(i) Non-segment revenue (interest received on cash float);

(ii) Corporate expenses (such as ASX related expenses and fees for corporate services such as audit, tax review and registry); and

(iii) Non-segment assets (cash float, income tax assets and liabilities, and other receivables).

(k) Presentation of financial statements

The Company applies revised AASB 101: "Presentation of Financial Statements". As a result, the Company presents in the Statement of Changes in Equity all owner changes in equity, whereas all non-owner changes in equity are presented in the Statement of Profit or Loss and Other Comprehensive Income.

(l) New standards adopted

(i) AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the impact of those assumptions on the fair value determined.

(ii) AASB 2011-4 Amendments to Australian Accounting Standards – Remove Individual Key Management Personnel Disclosure Requirements

The Standard amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

In March 2013, the Australian government released Corporations Legislation Amendment Regulation 2013 which proposed to insert these disclosures into Corporations Regulations 2001 to ensure the disclosure requirements continue to be operative for financial years commencing on or after 1 July 2013.

(m) New standards and interpretations not yet adopted

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Company. Management anticipates that all of the relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

Certain other new standards and interpretations have been issued as follows:

(i) AASB 9 Financial Instruments (December 2010)

This Standard introduces new requirements to improve and simplify the approach for the classification and measurement of financial assets and liabilities compared with AASB 139.

The entity has not yet assessed the full impact of AASB 9 as this standard does not apply mandatorily before 1 January 2018 and the IASB is yet to finalise the remaining phases of its project to replace AIS 39 Financial Instruments: Recognition and Measurement (AASB 139 in Australia).

(ii) AASB 2013 Fair Value Measurement

AASB 2013 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair valued. The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements, except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. The Company has included as comparative information the AASB 13 disclosures that were required previously by AASB 7 Financial Instruments: Disclosures.

(iii) AASB 2014-1 Amendments to Australian Accounting Standards (Part A: Annual improvements 2010 – 2012 and 2011 – 2013 Cycles)

Part A of AASB 2014-1 makes amendments to 1 July 2014 various Australian Accounting Standard arising from the issuance by the International Accounting Standards Board (AISB) of International Financial Reporting Standard Annual Improvements to IFRS 2010-2012 Cycle and Annual Improvements to IFRS 2011-2013 Cycle.

Among other improvements, the amendments clarify the definition of a related party and amend AASB 8 Operating Segments to expand disclosures required by the Company.

When AASB 2012-3 is first adopted for the year ended 30 June 2015, there will be no material impact on the entity.

(iv) AASB 2014-1 Amendments to Australian Accounting Standards (Part E: Financial Instruments)

Part E of AASB 2014-1 makes amendments to 1 January 2015 Australian Accounting Standard to amend reduced disclosure requirements for AASB 7 Financial Instruments: Disclosures and AASB 101 Presentation of Financial Statements.

4. CHANGE IN ACCOUNTING POLICY

The Company did not early adopt any standards in the current financial year.

The Company did not change any accounting policies during the current financial year.

5. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value for its financial assets. Fair values have been determined for measurements and /or disclosure purposes based on the methods outlined below. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(ii) Investments in unlisted private equity investments

Unlisted private equity investments are initially recognised at cost, being the fair value of the consideration given. Associated acquisition charges are included in the cost.

For unlisted private equity investments, where there is no quoted market price, investments are valued according to the differing structures of these type of investments that the Company owns: 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 the Company 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 of that entity 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 or discount rates. These assumptions are made by the managers, partnerships and direct investment entities and are not made by the Company.

6. FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Liquidity risk
- Credit risk

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors and the Manager are responsible for developing and monitoring risk management policies.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Company and Manager, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all personnel understand their roles and obligations.

Market risk

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

Prior to committing to a private equity investment, the Board had the opportunity to consider each of these risks while they reviewed detailed submissions from the Manager. Each Manager submission was 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 Company's portfolio.

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

(i) 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 – unlisted private equity investments

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

- The portfolio of underlying investments is well diversified. The Company's fund of funds structure consists of 16 private equity funds which between them have exposure to more than 50 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. The value of only 1 individual underlying investment is currently greater than 5% of the total investments of the Company (2013: 1 Investment).
- 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. Historically, at any point in time, the aggregate values at which they are held by the private equity manager and hence the Company, are generally lower than the eventual sale prices of the underlying businesses.
- The indirect impact of significant listed equity market movements on private equity valuations.

The major risk to the Company in relation to the private equity investments is that a prolonged drop in market values may lead to lower profits (or losses) in the short term. Risks may also include 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 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.

(ii) Currency risk

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

As at 30 June 2014, the Company has several direct investments denominated in New Zealand dollars ("NZD"). As a result of these investments, the Company's balance sheet and profit or loss can be affected by movements in the NZD/AUD exchange rates.

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 exposure to foreign currency.

The Company has a foreign currency exposure to capital commitments made to an overseas private equity firm for amounts which may be called in the future (refer to note 21). 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 $311,171 (approx. AUD $290,217) (2013: NZD $311,171 (approx. AUD $263,637)).

(iii) 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 related to its cash holdings and the finance facility. The Company's cash holdings are held on a floating interest rate basis, while the finance facility is a bill facility and is exposed to the interest rate changes on the date that the bill matures if it is rolled over for a subsequent period at that date.

(iv) 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 a finance facility. The finance facility is available for a total of $2 million (2013: $7million), of which $nil has been drawn down at balance date (2013: $Nil).

The Company's liquidity requirements include the Company's day to day running costs and expenditures such as the amounts payable to its trade creditors and the amounts to which the Company is committed to pay to its unlisted private equity investments which are paid on a "drawdown" basis.

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 (refer notes 21 and 22), 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.

In time and dollar terms, there is no schedule or timeframe on which to forecast the private equity drawdowns. Calls can be made at any time over approximately 4 years from balance sheet date but are not due until approximately 10 days after they are called.

There is 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 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;
- distributions and returns received from its investments;
- prudent levels of borrowings utilising the cash advance facility disclosed in note 18;
- the sale of its private equity investments on the secondary market; and
- capital raised via placements or rights issues.

During the year all of the private equity funds in the portfolio completed their investment programs so future drawdowns are likely to be for modest amounts and portions of the undrawn commitments may be cancelled as future requirements become more certain.

(v) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

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 past due or considered impaired.

(vi) Capital management

The Board's objective is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future capital requirements of the business. The Board of Directors aims to maintain capital at a point that ensures that the Company continues as a going concern whilst maintaining optimal returns to shareholders.

The Board does not currently have any plans to issue further shares on the market.

The Company is not subject to externally imposed capital requirements.

7. 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.

Information regarding the results of the Company's reportable segment is included below. Performance is measured based on segment profit before income tax as included in the internal management reports that are reviewed by the Company's Managing Director.

Comparative segment information has been represented in conformity with the requirement of AASB 8: "Operating Segments".

Reportable segment information

	Private Equity Investment Segment	
In thousands of AUD	**2014**	**2013**
External revenues	9,181	7,258
Interest expense	(30)	(35)
Reportable segment profit before income tax	6,265	5,190
Reportable segment assets	52,283	60,878
Reportable segment liabilities	-	-

Reconciliation of reportable segment revenues, profit or loss, assets and liabilities and other material items

In thousands of AUD	**2014**	**2013**
REVENUES		
Total revenue for reportable segment	9,181	7,258
Total revenue	9,181	7,258
PROFIT OR LOSS		
Total profit for reportable segment	6,265	5,190
Unallocated amounts:		
Other corporate expenses	(278)	(227)
Profit before income tax	5,987	4,963
ASSETS		
Total assets for reportable segment	52,283	60,878
Other assets	13,309	10,004
Total assets	65,592	70,882
LIABILITIES		
Total liabilities for reportable segment	-	-
Other liabilities	7,791	6,367
Total liabilities	7,791	6,367

Geographical segments

The Company's investments are domiciled in Australia and New Zealand (2013: Australia and New Zealand).

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

Geographical information

In thousands of AUD	**2014**	**2013**
REVENUES		
Australia	9,130	7,103
New Zealand	51	155
Total revenue	9,181	7,258
NON-CURRENT ASSETS		
Australia	48,340	58,538
New Zealand	2,598	2,340
Total non-current assets	50,938	60,878

8. OTHER EXPENSES

In thousands of AUD	**2014**	**2013**
Audit fees	69	68
Co-investment management fees	63	145
Registry fees	48	53
Sundry expenses	161	106
Total other expenses	341	372

9. FINANCE INCOME AND FINANCE COSTS

In thousands of AUD	**2014**	**2013**
Interest received	129	57
Total finance income	129	57
Facility fees in relation to debt financing facility	(96)	(162)
Interest expense on debt financing facility	(30)	(35)
Total finance expenses	(126)	(197)
Net finance income/(expense) recognised in profit or loss	3	(140)

10. INCOME TAX EXPENSE

In thousands of AUD	2014	2013
CURRENT TAX EXPENSE		
Current period	2,173	1,488
Adjustment for prior periods	(443)	(560)
DEFERRED TAX BENEFIT		
Origination and reversal of temporary differences	1,411	208
Total income tax expense	3,141	1,136
RECONCILIATION BETWEEN TAX EXPENSE AND PRE-TAX ACCOUNTING PROFIT		
Profit for the period	2,846	3,827
Total income tax expense	3,141	1,136
Profit excluding income tax	5,987	4,963
Income tax using the Company's tax rate of 30% (2013: 30%)	1,796	1,489
Permanent and temporary differences in relation to deferred and current income and expenditure	437	527
Impairment of deferred tax asset	1,450	-
Gross up of income due to franking credits received	37	137
Franking credit rebate	(124)	(457)
Net effect on Australian income of foreign income received and foreign taxes paid	(12)	-
Over provision in prior years	(443)	(560)
Income tax expense reported in income statement	3,141	1,136

11A. CASH AND CASH EQUIVALENTS

In thousands of AUD	2014	2013
Cash at call	2,084	5,322
Term deposits	8,000	-
Cash and cash equivalents in the Statement of cash flows	10,084	5,322

The Company's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in note 21.

11B. RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

In thousands of AUD	2014	2013
Profit for the period	2,846	3,827
ADJUSTMENTS FOR:		
Change in fair value of investments classified as fair value through profit or loss	2,236	1,128
(Gain)/loss of foreign exchange on shareholder loans	(7)	1
Operating profit before changes in working capital	5,075	4,956
CHANGES IN WORKING CAPITAL		
(Increase)/decrease in dividends receivable	(1,345)	50
(Increase)/decrease in interest receivable	(7)	5
Decrease in other receivables	-	5
Decrease in non-equity prepaid expenses	21	13
Decrease in deferred tax assets	1,443	251
Increase/(decrease) in payables	57	(1)
Increase in tax provision	684	786
Increase/(decrease) in deferred income tax liability	1	(1)
Net cash from operating activities	5,929	6,064

12. RECEIVABLES

In thousands of AUD	2014	2013
Dividends/distributions receivable	1,345	-
Interest receivable	17	10
Other receivables	10	10
Total trade and other receivables	1,372	20

The Company's exposure to credit, currency and interest rate risks related to trade and other receivables is disclosed in note 21.

13. PREPAYMENTS

In thousands of AUD	2014	2013
Prepaid finance facility fees	2	24
Prepaid insurance expenses	12	11
Total prepayments	14	35

The Company does not have an exposure to credit, currency or interest rate risks in relation to its prepayments.

14. UNLISTED PRIVATE EQUITY INVESTMENTS

In thousands of AUD	2014	2013
NON-CURRENT INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS		
Unlisted private equity investments	50,938	60,878
Total unlisted private equity investments	50,938	60,878

The Company's exposure to market and credit risks related to unlisted private equity investments is disclosed in note 21.

15. TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

	Balance Sheet		Profit or Loss	
In thousands of AUD	**2014**	**2013**	**2014**	**2013**
DEFERRED INCOME TAX ASSETS				
Accrued expenses	41	23	18	-
Revaluations of unlisted private equity investments	4,593	4,571	22	(208)
Impairment of deferred tax asset	(1,450)	-	(1,450)	-
Share issue expenses taken to equity which are deductible in the future	-	33	(33)	(43)
Gross deferred income tax assets	3,184	4,627		
DEFERRED INCOME TAX LIABILITIES				
Accrued interest	(5)	(3)	2	(2)
Exchange gains on foreign cash	-	(1)	1	(1)
Gross deferred income tax liabilities	(5)	(4)		
Deferred tax expense			(1,440)	(254)

Deferred tax assets

The deferred tax asset balance of $3.184 million is recognised in the Statement of financial position of the Company as at 30 June 2014 (2013: $4.627 million). The majority of the balance is due to the current fair value of the financial investments in private equity investments funds being below cost value. As in prior years, the Board reviewed the likelihood of the Company recouping the full amount of deferred tax asset. Among other factors, the Board considered the age of the portfolio, the number of recent exits from the Company's underlying portfolio, the remaining investments and fund managers and the eventual wind-up of the Company. Following careful consideration of these factors, the Board decided that it was prudent to reduce the deferred tax asset by $1.45 million because of doubts about the timing of future realisations and subsequent terminations of the funds in the portfolio.

Current tax liabilities

In thousands of AUD	**2014**	**2013**
Opening balance	1,445	659
Charged to income	2,173	1,488
Adjustment in respect of prior years	(443)	(560)
Payments of tax during the year	(1,013)	(99)
Equity related deductions	(33)	(43)
Total current tax liability	2,129	1,445

16. PAYABLES

In thousands of AUD	2014	2013
Related party payables (refer note 24)	49	52
Trade and other payables	139	79
Total payables	188	131

The Company's exposure to liquidity risk related to trade and other payables is disclosed in note 21.

17. PROVISIONS

In thousands of AUD	2014	2013
Provision for capital return	5,469	-
Provision for dividend	-	4,787
Total provisions	5,469	4,787

18. LOANS AND BORROWINGS

Debt finance facility

The current finance facility is a $2 million (2013: $7 million) finance facility in place to July 2015. The debt finance facility has been in place since 14 July 2009, however from 31 May 2012 to July 2014 the Company has negotiated several reductions in the facility limit as the outstanding portfolio commitment balance reduced. The finance facility is an Australian dollar floating rate facility where the Company is able to determine the drawdown and/or rollover period which may be for a period of 90 or 180 days with interest reset on each drawdown or rollover amount. The Company has not breached any of its covenants relating to this debt finance facility. The debt finance facility agreement contains a negative pledge, preventing the Company from entering into more debt agreements in the future which would jeopardise the bank's current priority claim on the Company's assets. The facility has a carrying amount of $Nil (2013: $Nil).

19. CAPITAL AND RESERVES

Share Capital - Ordinary shares issued and fully paid

In thousands of AUD	**2014**	**2013**
Beginning of the year	73,005	73,005
Capital return provided for during the year	5,463	-
Total contributed equity at 30 June	67,542	73,005

Shares

In thousands	**2014**	**2013**
On issue at the beginning of the year	136,571	136,571
Issued during the year	-	-
Total shares on issue	136,571	136,571

Issuance of ordinary shares

There were no shares issued during the year (2013: Nil).

During the year, no shares were issued as a result of exercising of options (2013: Nil).

Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

There are currently no share options on issue.

Dividends and capital returns

The following dividends and capital returns were declared and paid by the Company:

2014	**Cents per share**	**Total amount ($'000)**	**Payment date**
Dividend declared 31 October 2013	3.00	4,097	5 December 2013
Capital return declared 25 June 2014	4.00	5,463	18 July 2014
	7.00	9,560	

2013	**Cents per share**	**Total amount ($'000)**	**Payment date**
Dividend declared 18 October 2012	2.25	3,073	9 November 2012
Dividend declared 19 June 2013	3.50	4,780	19 July 2013
	5.75	7,853	

The Company's dividend reinvestment plan has been suspended.

No dividends have been declared since the end of the financial year, however a 3.5 cents per share capital return was declared 15 August 2014.

Dividend franking account

In thousands of AUD	2014	2013
30% franking credits available to shareholders of the Company for subsequent financial years		
Balance at the end of the reporting period	48	2,726
Franking credits utilised by the payment of the dividend declared but not yet paid	-	(2,049)
Franking credits that will arise from the payment of the amount of provision for income tax	2,129	1,445
	2,177	2,122

The ability to utilise franking credits is dependent upon there being sufficient available profits and liquidity to declare dividends.

Listed investment company (LIC) capital gain account

In thousands of AUD	2014	2013
Opening balance of the LIC capital gain account	357	8,200
Prior period adjustment	276	10
Impact on the LIC capital gain account of the dividends paid or declared during the year	-	(7,853)
	633	357
This equates to an attributable amount of	904	510

LIC Capital gains available for distribution are dependent upon the disposal of investment portfolio holdings which qualify for LIC capital gains and the receipt of LIC distributions from VCLP securities held in the investment portfolio.

20. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2014 was based on the profit attributable to ordinary shareholders of $2,845,718 (2013: profit of $3,827,455) and a weighted average number of ordinary shares outstanding of 136.571 million shares (2013: 136.571 million), calculated as follows:

In thousands of AUD	2014	2013
Profit attributable to ordinary shareholders	2,846	3,827

Shares

In thousands	2014	2013
Issued ordinary shares at 1 July	136,571	136,571
Shares issued during the year	-	-
Weighted average number of ordinary shares at 30 June	136,571	136,571

Diluted earnings per share

During the year, there were no dilutive potential ordinary shares on issue; therefore there is no difference between basic earnings per share and diluted earnings per share (2013: No difference).

21. FINANCIAL INSTRUMENTS

Market price risk

Exposure to market price risk

The carrying amount of the Company's financial assets represents the maximum risk exposure. The Company's maximum exposure to market price risk was $50,938,138 (2013: $60,877,680) for unlisted private equity investments.

Sensitivity to market price risk

A 10% movement in the value of the Company's investments would have increased/ (decreased) equity and profit or loss after tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

In thousands of AUD	Equity 2014	Equity 2013	Profit or loss 2014	Profit or loss 2013
Private equity investments +10%	3,566	4,261	3,566	4,261
Private equity investments -10%	(3,566)	(4,261)	(3,566)	(4,261)

Interest rate risk

Exposure to interest rate risk

At the reporting date the interest rate profile of the Company's interest bearing financial instruments was:

In thousands of AUD	2014	2013
VARIABLE RATE INSTRUMENTS		
Financial assets	10,084	5,322
Financial liabilities	-	-

Sensitivity to interest rate risk for fixed rate and variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity and profit or loss after tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis was performed on the same basis for 2013.

In thousands of AUD	Equity 2014	Equity 2013	Profit or loss 2014	Profit or loss 2013
Financial assets +100bps	71	37	101	53
Financial assets – 100bps	(71)	(37)	(101)	(53)
Financial liabilities +100bps	-	-	-	-
Financial liabilities – 100bps	-	-	-	-

Liquidity risk

The following are the contractual maturities of financial liabilities, including estimated interest payments.

In thousands of AUD	Carrying Amount	1 month or less	1 month to 12 months	On call
30 JUNE 2014				
Trade and other payables	188	188	-	-
Private equity commitments	-	-	-	5,110

In thousands of AUD	Carrying Amount	1 month or less	1 month to 12 months	On call
30 JUNE 2013				
Trade and other payables	131	131	-	-
Private equity commitments	-	-	-	11,122

Private equity commitments may be called at any time in the future, but are not due until approximately 10 days after they are called. Calls can be made at any time over approximately 4 years from balance sheet date.

Details of private equity commitments held by the Company at balance date are as follows:.

In thousands of AUD Fund name	Commitment	Drawn capital	Undrawn capital	Termination date of fund
Archer Capital Fund 3	6,618	6,505	113	Aug-14
Archer Capital Fund 4	9,650	9,018	632	Mar-17
Catalyst Buyout Fund 1	8,000	8,000	-	May-16
CM Capital Venture Trust No 4	8,000	7,600	400	May-17
Direct Capital Partners III ($A equiv.)	6,978	6,688	290	Sep-15
HPEF II	8,000	7,886	114	Nov-14
Ironbridge Capital 2003/4 Fund	5,023	4,828	195	Sep-14
NBC Private Equity Fund II	6,000	6,000	-	Jun-15
NBC Private Equity Fund III	10,000	9,827	173	Nov-17
Pacific Equity Partners Fund III	7,867	7,494	373	Dec-15
Pacific Equity Partners Fund IV	7,981	7,192	789	Dec-17
Propel Private Equity Fund II	3,412	3,411	1	Jun-15
Quadrant Private Equity No. 1	8,000	7,966	34	Nov-15
Quadrant Private Equity No. 2	9,600	8,794	806	Apr-17
Wolseley Partners Fund I	8,000	7,985	15	Sep-15
Wolseley Partners Fund II	10,000	8,825	1,175	Jun-18
	123,129	118,019	5,110	

Currency risk

Exposure to currency risk

The Company's exposure to foreign currency risk at balance date was as follows, based on notional amounts:

In thousands	NZD 2014	NZD 2013
Unlisted private equity investments	2,598	2,340
Foreign cash	15	96
Total balance sheet exposure	2,613	2,436

Exchange rates

The following exchange rates applied at year end:

	2014	2013
NZD	1.0722	1.1803

Sensitivity to currency risk

A change of 10% in the Australian dollar against the New Zealand dollar at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2013.

In thousands of AUD	Equity 2014	Equity 2013	Profit or loss 2014	Profit or loss 2013
NZD +10%	155	131	155	131
NZD – 10%	(190)	(161)	(190)	(161)

Credit risk

Exposure to credit risk

The carrying amount of the Company's cash and receivables represents the maximum credit risk exposure. The Company's maximum exposure to credit risk was $11,456,083 (2013: $5,342,165) being $10,083,826 in relation to cash and cash equivalents (2013: $5,322,256) and $1,372,257 in relation to receivables (2013: $19,909).

None of the Company's receivables are past due (2013: Nil) or considered impaired. All receivables are due within 30 days.

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

Fair values versus carrying amounts

The carrying values of financial assets and liabilities approximate their fair value.

The basis for determining fair values is disclosed in note 5.

Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;

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);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In thousands of AUD	Level 1	Level 2	Level 3	Total
30 JUNE 2014				
Financial assets designated as fair value through profit or loss	-	-	50,938	50,938
	-	-	50,938	50,938

In thousands of AUD	Level 1	Level 2	Level 3	Total
30 JUNE 2013				
Financial assets designated as fair value through profit or loss	-	-	60,878	60,878
	-	-	60,878	60,878

During the financial year, there have been no transfers between levels 1, 2 or 3 (2013: Nil).

Reconciliation of Level 3 balances in the fair value hierarchy

In thousands of AUD	**2014**	**2013**
Beginning balance	60,878	61,402
Unrealised gains for the period recognised in the profit or loss	(2,232)	(1,133)
Purchases and calls paid for unlisted private equity investments	4,986	5,903
Sales of unlisted private equity investments	-	(15)
Capital returns from unlisted private equity investments	(12,676)	(5,168)
Proceeds received from repayment of investment loans	(20)	(112)
Foreign exchange loss on settlement of investment loans	2	1
Ending balance	50,938	60,878

Sensitivity analysis

The valuation inputs for the level 3 financial assets vary depending on the corporate structure of the investment. Although the Company is primarily a fund of fund structure, it also invests through other "non-fund" entities. The Company's investments therefore need to be valued differently according to the differing legal structures of its investments:

- 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; and
- Direct private equity investments are valued using a value of the direct investment provided by the investment manager of the investment, proportioned by the share of equity in the investment which the Company holds.

The valuation inputs of the Company's investments are therefore twofold:

1. The proportion of a trust, VCLP or direct investment which the Company holds; and

2. The unit price of a trust or the underlying value of a VCLP or direct investment.

The proportion of an investment which the Company holds is primarily fixed under the terms of the governing document of the investment (relevant trust deed, partnership agreement, bare trustee agreement, unit trust agreement or management agreement). Therefore, the only reasonable change in a valuation input that could occur, and hence the Company's sensitivity to changes in valuation inputs, is a change in the unit price of a trust or the underlying value of a VCLP or direct investment (i.e. the market price risk).

The Company's sensitivity to market price risk is set out above in the first table of this note.

22. CAPITAL AND OTHER COMMITMENTS

In thousands of AUD	2014	2013
Private equity commitments contracted but not provided for	5,110	11,122

These commitments reflect the capital commitment in respect of future investments in current private equity investments held. Due to the inherent nature of this type of investment, the timeframe of these commitments cannot be accurately predicted because capital can be called by investment managers at any time, however it is unlikely that the Company would be required to pay the entire outstanding commitment at one time. This is supported by historical trends.

Estimated forecasted cash flow projections are provided below by the Company. These projections are a broad estimate and are not able to be relied upon. They have been made by the Manager based on information from various sources, such as

- discussions with private equity managers;
- historical trends in the industry;
- the current economic environment; and
- reports obtained by the Manager from industry data aggregators, private equity managers and other economic sources.

Although these projections are used by the Board for discussion, they are not relied upon, and as such the Board aims to achieve sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

Future capital payments are forecasted to take place within the following timeframes:

Private equity commitments contracted but not provided for

In thousands of AUD	2014	2013
Within 1 year	1,000	6,661
Between 1 year and 5 years	4,110	3,076
Later than 5 years	-	1,385
	5,110	11,122

Generally, drawdowns by a specific fund are substantially made over the 5 year period from first commitment to a fund. Consequently, it has been typical, particularly amongst later stage private equity funds, which form the bulk of the portfolio, for there to be realisations and consequential distributions from underlying funds before all drawdowns by these funds need to be met. This creates significant internal cash generation to meet outstanding commitments. It is also common for a private equity fund to terminate without having drawn down the full commitment, further reducing the actual commitment to be met.

During the year, all of the private equity funds in the portfolio completed their investment programs so future drawdowns are likely to be for modest amounts and portions of the undrawn commitments may be cancelled as future requirements become more certain.

The Directors expect the Company to finance the future drawdown of its outstanding commitments, if required, by one or a combination of the following options:

- Utilisation of cash on hand;
- Utilising the current debt finance facility of the Company;
- Distributions expected to be received by the Company as a result of realisations of assets by private equity investments;
- Disposal of some private equity commitments in order to reduce demands on capital and generate cash; and
- Capital raised through a share placement or rights issue.

23. CONTINGENCIES

Contingent assets

As at the date of this report, the Company does not have any contingent assets (2013: nil).

Contingent liabilities

As at the date of this report, the Company does not have any contingent liabilities (2013: nil).

24. RELATED PARTIES

Key management personnel compensation

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

Compensation of Directors

During the year, the total compensation paid to the Directors was $95,000 (2013: $95,000).

Under the current terms of the Company's constitution, the non-executive Directors as a whole may be paid or provided remuneration for their services the total amount or value of which must not exceed an aggregate maximum of $150,000 per annum.

Individual Director's compensation disclosures

Information regarding individual Director's and executive's compensation and some equity instruments disclosures as required by Corporations Regulation 2M.3.03 is provided in the remuneration report section of the Directors' report.

Apart from the details disclosed in this note, no Director has entered into a material contract with the Company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end.

Key management personnel and Director transactions

Mr Schahinger holds a position in the Manager, Pomona Australia Pty Limited, which results in him having control or significant influence over the financial or operating policies of that entity.

Pomona Australia Pty Limited transacted with the Company in the reporting period as a result of its position as Manager of the Company during the year. The terms and conditions of the transactions with Pomona Australia Pty Limited were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to non-Director related entities on an arm's length basis.

The aggregate value of transactions and outstanding balances relating to Pomona Australia Pty Limited were as follows:

In thousands of AUD			**Transaction value year ended 30 June**		**Balance outstanding as at 30 June**	
Key Management Person	Transaction	Note	2014	2013	2014	2013
Mr J Schahinger	Management Fees	(i)	538	562	49	52
			538	562	49	52

(i) Management Fee

In consideration for the services provided under the Management Agreement, 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.

The management fee is charged at the rate of 0.85% per annum of the gross asset value of the portfolio.

(ii) Performance Fee

Under the terms of the Management Agreement, the Manager will be entitled to a Performance Fee calculated annually over three year rolling periods from the end of the month in which the Company was admitted to the ASX's Official List (30 November 2004).

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 2014, no Performance Fee has been paid or become payable to the Manager (2013: $nil).

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.

25. SUBSEQUENT EVENTS

Other than a 3.5 cents per share capital return declared on 15 August 2014, there have been no other matters or circumstances not otherwise dealt with in the financial report that have significantly affected or may significantly affect the Company.

26. AUDITOR'S REMUNERATION

In AUD	**2014**	**2013**
AUDIT AND REVIEW OF FINANCIAL STATEMENTS		
Auditors of the Company		
Audit and review of financial reports – Grant Thornton	63,000	60,500
Remuneration for audit and review of financial statements	63,000	60,500
OTHER SERVICES		
Auditors of the Company		
Taxation services – Grant Thornton	8,000	7,500
Total other service remuneration	8,000	7,500
Total auditor's remuneration	71,000	68,000

Directors' Declaration

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

(a) the financial statements and notes that are set out on pages 27 to 55, and the Remuneration report in the Directors' report, set out on pages 17 and 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 30 June 2014 and of its performance for the financial year ended on that date; and

  (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and the chief financial officer for the year ended 30 June 2014.

3. The Directors draw attention to note 2(a) of the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Geoff Brunsdon
Chairman

Sydney
22 August 2014

Independent Audit Report

Grant Thornton

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Independent Auditor's Report
To the Members of IPE Limited

Report on the financial report

We have audited the accompanying financial report of IPE Limited (the "Company"), which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company .

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

Grant Thornton

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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 complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion
In our opinion the financial report of IPE Limited is in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the Company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the Corporations Regulations 2001; and

c the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report
We have audited the remuneration report included in pages 17 to 18 of the directors' report for the year ended 30 June 2014. 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 on the remuneration report
In our opinion, the remuneration report of IPE Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

G S Layland
Director - Audit & Assurance

Sydney, 22 August 2014

Additional ASX Disclosures

Additional information required by the ASX Ltd listing rules and not disclosed elsewhere in this report is set out below. Unless otherwise stated, the information below is current as at 6 August 2014.

SHAREHOLDINGS

Substantial Shareholders

The number of shares held by substantial shareholders and their associates are set out below:

Shareholder	Ordinary shares held
Stafford Fund Nominees Pty Limited ATF Stafford Private Equity 4 Fund	34,369,189
Wilson Asset Management Group	22,580,875
Select Investment Partners Limited	9,010,304

Securities exchange

The Company is listed on the Australian Securities Exchange. The home exchange is Sydney.

Other information

IPE Limited, incorporated and domiciled in Australia, is a publicly listed Company limited by shares.

Twenty largest security holders

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

	Name	Ordinary shares held	Capital held (%)
1	Stafford Fund Nominees Pty Ltd	34,369,189	25.17%
2	RBC Investor Services Australia Nominees Pty Limited	23,560,133	17.25%
3	BNP Paribas Nominees Pty Ltd	5,609,737	4.11%
4	Mr Simon Robert Evans & Mrs Kathryn Margaret Evans	3,386,317	2.48%
5	J P Morgan Nominees Australia Limited	2,553,652	1.87%
6	UBS Wealth Management Australia Nominees Pty Ltd	1,868,242	1.37%
7	McNeil Nominees Pty Limited	1,652,403	1.21%
8	National Nominees Limited	1,249,279	0.91%
9	Eureka Benevolent Foundation Ltd	1,020,000	0.75%
10	Mr Jon Douglas Schahinger & Dr Elizabeth Mary Frank	900,000	0.66%
11	Mr Kenneth John Butterfield	850,000	0.62%
12	Citicorp Nominees Pty Limited	805,960	0.59%
13	Assurance Capital Pty Ltd	700,000	0.51%
14	Wilclaire Investments Pty Ltd	650,000	0.48%
15	Meroma Pty Limited	640,000	0.47%
16	Oblique Pty Limited	600,000	0.44%
17	Mr Gregory Hugh Halliday & Mr Simon Robert Evans & Mr Thomas Vernon Furner	600,000	0.44%
18	Mr Willem Bartus Josef Slot & Mrs Hanna Slot	559,355	0.41%
19	Moat Investment Pty Ltd	550,000	0.40%
20	Mercantile Investment Company Ltd	500,000	0.37%
		82,624,267	60.50%

VOTING RIGHTS

Ordinary shares

Refer note 19 in the financial statements.

Distribution of equity security holders

Category	Number of equity security holders	Number of shares
1-1,000	69	26,694
1,001-5,000	589	1,862,650
5,001-10,000	422	3,302,232
10,001-100,000	941	30,617,362
100,001 and over	112	100,762,264
	2,133	136,571,202
The number of shareholders holding less than a marketable parcel of securities is:	77	35,403

INVESTMENT

Brokerage and Investment Transactions

During the current and prior year, the Company did not pay any brokerage costs because it did not make any investment transactions which incur brokerage.

Management Agreement

IPE Limited has appointed Pomona Australia Pty Limited as the Manager of the Company with effect from 1 July 2011.

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 meetings 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 was entitled to a Management Fee of 0.070833% of the value of the Portfolio calculated on the last business day of each month (being a fee of 0.85% per annum of the value of the Portfolio), and paid no less frequently than quarterly.

Management fees paid or accrued during the reporting year were $537,693 (2013: $561,640).

Investment Portfolio

The investments held by IPE Limited at balance date are:

Unlisted private equity investments

Archer Capital Fund 3
Archer Capital Fund 4
Catalyst Buyout Fund 1
CM Capital Venture Trust No 4
HPEF II
Ironbridge Capital 2003/4 Fund
NBC Private Equity Fund II
NBC Private Equity Fund III
Pacific Equity Partners Fund III
Pacific Equity Partners Fund IV
Propel Private Equity Fund II
Quadrant Private Equity No. 1
Quadrant Private Equity No. 2
Wolseley Partners Fund I
Wolseley Partners Fund II

Unlisted co-investments

New Zealand King Salmon Limited
NZP Holdings Limited
Stratex Group Limited
Rodd & Gunn Limited
Fishpond Limited
Next Capital Health Group Co-Investment Trust

Directory

IPE Limited
ABN 48 107 843 381

Directors
Geoff Brunsdon (Independent, Non-Executive Director and Chairman)

Jon Schahinger (Managing Director)

Don Stammer (Independent and Non-Executive Director)

Company Secretary
Sam Jackson

Registered Office of the Company
Level 12, 83 Clarence Street
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Manager
Pomona Australia Pty Limited
Level 12, 83 Clarence Street
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T: +61 2 9299 2900

Registrar
Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000, Australia

Free call (in Australia): +61 1800 891 098
Email: registrars@linkmarketservices.com.au

Auditor
Grant Thornton
Level 17, 383 Kent Street
Sydney NSW 2000
Australia

Stock Exchange Listing
Official list of the Australian Securities Exchange Limited
ASX Code: IPE

Website
www.ipelimited.com.au

IPE LIMITED

ABN 48 107 843 381