

# ING Private Equity Access Limited

ABN 48 107 843 381

## Appendix 4D – Half-Yearly Report

For the half-year ended 31 December 2011

### 1. Reporting period:

This report is for the reporting period from 1 July 2011 to 31 December 2011 and the corresponding period is from 1 July 2010 to 31 December 2010.

### 2. Results for announcement to the market:

	Up/(Down)	%	\$
Revenue from ordinary activities (\$'000)	Up	316	9,345
Profit from ordinary activities after tax attributable to members (\$'000)	Down	148	(458)
Net profit for the period attributable to members (\$'000)	Down	148	(458)
Interim Dividend (cents per share)	N/A	N/A	N/A
% Franked	N/A	N/A	N/A
Record date for determining dividend entitlement		N/A	
Dividend payment date		N/A	
The directors of the Company will not be proposing an interim dividend payment in the current period.			
Refer to attached narrative for explanation of results in the current period.			

### 3. Net tangible assets (NTA):

	Dec 2011 (per share)	Dec 2010 (per share)
NTA after tax	\$0.53	\$0.52

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

# ING Private Equity Access Limited

ABN 48 107 843 381

17 February 2012

The Board of Directors of ING Private Equity Access Limited presents its results for the half year ended 31 December 2011:

## Review

### Introduction

Net profit/(loss) after tax:	\$(0.46) million
Net assets	\$72.36 million
Net tangible asset backing (pre tax):	\$0.50 per share
Net debt	nil
Interim dividend	None declared
Number of private equity funds	16
Number of underlying investments	72

Against a backdrop of volatile financial markets the Company enjoyed significant cash inflows over the period, with more than \$18 million being received from a range of funds in the portfolio. In light of the conditions, it was pleasing to see that the exit activity took place at prices at or above recent carrying values. While this activity did not translate into any significant P&L impact it was important for the Company's reduction of debt and a bolster to cash reserves to help fund the diminishing undrawn portfolio commitments.

Continuing concerns over the European debt position weighed heavily on the listed equity markets and the decline in those markets since 30 June was reflected in some softening of the portfolio's unrealised valuations over the six months. Weak consumer sentiment resulted in generally poor retail trading over the Christmas period and it is currently difficult to find many factors which would cause that sentiment to improve markedly in the short term.

### Financial results

The half year produced a loss of \$0.46 million compared to a profit of \$0.95 million in the prior corresponding period. The main driver of the change was a modest decline in unrealised valuation which more than offset the revenue generated by the realisations that the portfolio enjoyed. (For accounting purposes a realisation produces "distribution revenue" but also generates a decline in the "fair value of investments".)

Net Tangible Assets ("NTA") per share was relatively unchanged from 30 June 2011 to balance date at \$0.50 before tax (\$0.52 at 30 June) and \$0.53 after tax (\$0.53 at 30 June), reflecting the volatile market conditions and a still uncertain macro-economic outlook.

In line with the Company's investment strategy, of currently utilising available cash to help manage the outstanding private equity commitments, no dividend has been declared. The six months did produce strong cash flows into the Company and a continuation of that activity will assist the Board in considering any guidance over the timing of resumption of dividends to shareholders.

## Capital management

At 31 December 2011 the Company had \$20.8 million (\$23.6 million at 30 June) of undrawn private equity commitments, much of which will not be drawn for some years. The Company has been using its \$20 million three year debt facility (expiry in July 2012) to fund calls on its portfolio commitments but the recent strong cash returns have meant that debt stands at zero with cash on hand of \$4.7 million (net debt was \$8.5 million at 30 June).

If the recent strong cash inflows continue it is possible that there would be no need for a debt facility however, as it is impossible to accurately predict either the cash inflows or cash outflows generated by the portfolio, it remains prudent to have a modest debt facility available to the Company. We intend to negotiate a new facility well before the expiry of the current one.

The Company will continue to assess its capital requirements but currently, the expectations of cash inflows and an available debt facility appear adequate to meet the Company's needs.

## Private Equity Portfolio

The Company's private equity fund portfolio was unchanged over the last six months, with total fund commitments of approximately \$126 million across 16 funds and 11 managers.

The period was dominated by news on exits. It started strongly with the settlement of the sale of Quick Service Restaurants by Quadrant Private Equity Fund 2 to Archer Capital on 1 July, followed by the exit of Independent Liquor from the Pacific Equity Partners III portfolio to a Japanese trade buyer. October also saw the announcement of the sale of MYOB by Archer Capital Fund 4 to an offshore private equity buyer. Later exits by Archer Capital were the Rebel Group to an ASX listed entity and iNova Pharmaceuticals to a Canadian trade buyer. The period ended with news in late December of the first exit of an investment from Wolseley Partners Fund I when Freshmax was sold to a New Zealand based private equity fund. These exits resulted in significant amounts of cash flowing back to the Company. We are aware of a number of other exit processes that are underway and expect additional cash inflows for the period to 30 June 2012.

It is worth noting that the realised exits for the reporting period were either to trade buyers or other private equity funds and we expect that pattern to continue going forward as both groups have capital to deploy for good businesses. The volatility in the listed equity market has meant that IPOs are difficult to execute although Quadrant did manage to list its Summerset Retirement Village business on the New Zealand exchange and sold down 30% of its holding into the float.

On the downside, the continuing difficult consumer conditions finally caught up with a number of retail businesses which were put into administration, receivership or sold for a nominal amount. These included Godfreys (Pacific Equity Partners), Marks & Wallings and The Jewellery Group (Quadrant) and IBC Water Group (NBC) but with minimal further impact on the Company's NTA as they had been largely written down in prior periods.

As expected, there was limited new investment activity as most of the portfolio's funds have completed their investment programs. There was only one new business that joined the portfolio (a freight forwarding business in Wolseley II) while Pacific Equity Partners III and IV bought the holding of a co-investor in an existing investment - Veda Advantage. Growth of existing investments continued, with 7 receiving follow-on funding.

There are still 72 companies in the underlying private equity funds, providing well diversified exposure across a range of industry sectors.

To keep up to date with the Company's portfolio, investors are encouraged to visit the website at [www.ingpeal.com.au](http://www.ingpeal.com.au) which contains links to the funds and, from those sites, to most of the underlying portfolio companies.

## Summary of Private Equity Funds

Portfolio holdings at 31 December 2011 are outlined below

Fund name	Investment stage focus	Fund size \$m	Committed \$m	Capital drawn \$m	Capital to be drawn \$m	Cash back \$m
Archer Capital Fund 3	Buyouts	428.5	7.1	6.5	0.6	11.4
Archer Capital Fund 4	Buyouts	1,360.0	10.0	8.9	1.1	6.4
Catalyst Buyout Fund 1	Buyouts	390.0	8.0	8.0	0.0	0.6
CM Capital 4	Venture Capital	153.5	8.0	6.5	1.5	0.4
Direct Capital Partners III (\$A equiv)	Expansion / Buyouts	58.0	7.1	6.6	0.5	5.2
Hastings Private Equity Fund II	Expansion / Buyouts	180.5	8.0	7.9	0.1	3.7
Ironbridge Capital 2003/4 Fund	Buyouts	450.0	5.0	4.8	0.2	3.8
NBC Private Equity Fund II	Expansion / Buyouts	98.6	6.0	6.0	0.0	0.4
NBC Private Equity Fund III	Expansion / Buyouts	101.2	10.0	5.6	4.4	-
Pacific Equity Partners III	Buyouts	1,275.0	8.0	7.4	0.6	1.9
Pacific Equity Partners IV	Buyouts	4,060.0	10.0	4.7	5.3	-
Propel Private Equity Fund II	Expansion / Buyouts	70.8	3.4	3.4	0.0	4.1
Quadrant Private Equity Fund No. 1	Expansion / Buyouts	265.0	8.0	7.7	0.3	8.4
Quadrant Private Equity Fund No. 2	Expansion / Buyouts	500.0	10.0	8.6	1.4	5.9
Wolseley Partners Fund I	Expansion / Buyouts	107.4	8.0	8.0	0.0	1.7
Wolseley Partners Fund II	Expansion / Buyouts	235.0	10.0	5.2	4.8	-
<b>Totals</b>			<b>126.6</b>	<b>105.8</b>	<b>20.8</b>	<b>53.9</b>

## Summary of new investments in the period

Fund	Company	Description
Pacific Equity Partners IV	Veda Advantage	Business intelligence, credit research
Wolseley Partners Fund II	AGS World Transport	Freight forwarding business

In addition to the new investments, 7 existing investments received follow-on funding.

## Summary of realisations

Fund	Company	Total return as a multiple of cost
Archer Capital Funds 3 & 4	Rebel Group	3.1x
Archer Capital Funds 3 & 4	iNova Pharmaceuticals	2.6x
Archer Capital Fund 4	MYOB	3.2x
NBC Capital II	IBC Water Group	0.0x
Pacific Equity Partners III	Independent Liquor	1.1x
	Godfreys	0.0x
Quadrant Private Equity Fund 1	The Jewellery Group	0.0x
Wolseley Partners Fund I	Freshmax	1.3x

**Summary of 20 largest private equity exposures** (by value as a percentage of the Company's total assets as at 31 December 2011).

Company	Percentage	Date settled	Fund
Fenix Fitness	4.2%	Dec 07	NBC III
Veda Advantage	3.9%	Jul 07	PEP III & IV
Pacific Services Group	3.9%	Jan 06	Wolseley I
Link Administration	3.8%	Sep 06	PEP III
Griffins Food	3.2%	Jun 06	PEP III
Virtus Health (formerly IVF)	3.2%	Apr 08	Quadrant 2
Cox Gomyl	2.7%	Apr 07	Wolseley I & II
Independent Pub Group	2.6%	Dec 07	Quadrant 2
Summerset Retirement (NZX: SUM)	2.4%	Apr 09	Quadrant 2
Layby Services	2.4%	Aug 08	NBC III
GoBus	2.2%	Dec 07	Direct Capital III
Eagle Boys Pizza	2.2%	Feb 07	NBC Capital II
Invocare (ASX: IVC)	2.1%	Dec 05*	Propel II
Ezibuy	2.1%	Feb 07	Catalyst I
Energy Developments (ASX: ENE)	2.0%	Jan 10	PEP IV
Quick Service Restaurants	2.0%	Jun 11	Archer 4
Next Media Holdings	2.0%	Jan 08	Wolseley I
Media Monitors	1.9%	Jul 10	Quadrant II
Bras N Things	1.9%	Jan 08	Hastings II
NZ King Salmon	1.9%	Aug 08	Direct Capital III
<b>Total</b>	<b>52.6%</b>		

\*Date of initial investment into Bledisloe Group

## Summary of vintages (calendar year)

Number of underlying companies that were acquired in a particular year (excluding realisations).

2004	2005	2006	2007	2008	2009	2010	2011
2	4	14	21	15	4	6	6

## Private Equity Industry sector exposure at period end

Industry sector exposure at 31 December 2011

Materials	4%
Industrials	20%
Consumer discretionary	36%
Consumer staples	4%
Healthcare	18%
Financials	11%
Information technology	5%
Utilities	2%

# **ING Private Equity Access Limited**

**ABN 48 107 843 381**

**Interim Financial Report: 31 December 2011**

## Directors' report

The directors submit their report for the half-year ended 31 December 2011.

### Directors

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

Director Name	Position	Appointment Date
Geoff Brunson	Independent, Non-Executive Director and Chairman	3 February 2004
Jon Schahinger	Managing Director	3 February 2004
Don Stammer	Independent, Non-Executive Director	3 February 2004

### Review and results of operations

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

#### Operating Results for the Period

The period was characterised by subdued private equity activity as financial market conditions remained uncertain. The Company benefited from a range of distributions from its portfolio while the market conditions were reflected in a modest decline in unrealised valuations.

During the period, the Company made a net loss for the period of \$458,445 after providing for income tax. (2010: net profit: \$948,350).

Earnings per share for the reporting period based on the weighted average number of ordinary shares	2011	2010
Basic (loss)/earnings per share (cents per share)	(0.34)	0.69
Diluted (loss)/earnings per share (cents per share)	(0.34)	0.69

#### Significant changes in the state of affairs

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

#### Dividends

In line with the current policy of utilising any available cash to manage the Company's outstanding private equity commitments, no dividend has been declared.

#### Matters subsequent to the end of the financial half-year

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.

## Directors' report (continued)

### **Rounding**

The amounts contained in the financial report have been rounded to the nearest \$1,000 (where rounding is applicable) as available to the Company under ASIC Class Order 98/100. The Company is an entity to which the Class Order applies.

### **Auditor's independence declaration**

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

Signed in accordance with a resolution of the Directors.

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

Geoff Brunson  
Chairman

Sydney  
17 February 2012

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**Auditor's Independence Declaration  
To The Directors of ING Private Equity Access Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of ING Private Equity Access Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



G S Layland  
Director - Audit & Assurance

Sydney, 17 February 2012

## Statement of financial position

As at 31 December 2011	Note	December 2011 \$'000	June 2011 \$'000
<b>Current assets</b>			
Cash and cash equivalents		4,763	821
Receivables		325	301
Prepayments		141	172
Listed private equity investments		97	111
<b>Total current assets</b>		<b>5,326</b>	<b>1,405</b>
<b>Non-current assets</b>			
Unlisted private equity investments		63,447	79,102
Deferred tax assets		4,728	2,369
<b>Total non-current assets</b>		<b>68,175</b>	<b>81,471</b>
<b>Total assets</b>		<b>73,501</b>	<b>82,876</b>
<b>Current liabilities</b>			
Payables and other liabilities		244	254
Loans and borrowings		-	9,569
Current tax liabilities		896	234
<b>Total current liabilities</b>		<b>1,140</b>	<b>10,057</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		2	2
<b>Total non-current liabilities</b>		<b>2</b>	<b>2</b>
<b>Total liabilities</b>		<b>1,142</b>	<b>10,059</b>
<b>Net assets</b>		<b>72,359</b>	<b>72,817</b>
<b>Equity</b>			
Issued capital		73,005	73,005
Accumulated loss		(646)	(188)
<b>Total equity</b>		<b>72,359</b>	<b>72,817</b>

The above Statement of financial position should be read in conjunction with the accompanying notes to the financial statements set out on pages 16 to 19.

## Statement of comprehensive income

<b>For the half-year ended 31 December 2011</b>	<b>Note</b>	<b>December 2011 \$'000</b>	<b>December 2010 \$'000</b>
<b>Revenue</b>			
Dividend and distribution revenue		9,345	1,847
Net increase in fair value of investments		-	400
<b>Expenses</b>			
Net decrease in fair value of investments		(9,301)	-
Management fees		(326)	(323)
Directors' fees		(48)	(48)
Other expenses		(172)	(195)
<b>Results from operating activities</b>		<b>(502)</b>	<b>1,681</b>
<hr/>			
Finance income		66	37
Finance expenses		(391)	(451)
<b>Net finance expense</b>		<b>(325)</b>	<b>(414)</b>
<hr/>			
<b>(Loss)/profit before income tax</b>		<b>(827)</b>	<b>1,267</b>
Income tax benefit/(expense)		369	(319)
Other comprehensive income for the period		-	-
<b>Total comprehensive (loss)/income for the period</b>		<b>(458)</b>	<b>948</b>

<b>Earnings per share (EPS)</b>	<b>December 2011</b>	<b>December 2010</b>
<b>EPS based on the weighted average number of ordinary shares (cents per share)</b>		
Basic and diluted (loss)/earnings per share for the half year	(0.34)	0.69

The above Statement of comprehensive income should be read in conjunction with the accompanying notes to the financial statements set out on pages 16 to 19.

## Statement of changes in equity

<b>For the half-year ended 31 December 2011</b>			
	<b>Issued Capital \$'000</b>	<b>Accumulated Losses \$'000</b>	<b>Total \$'000</b>
<b>At 30 June 2011</b>	<b>73,005</b>	<b>(188)</b>	<b>72,817</b>
<b>Total comprehensive income for the period</b>			
Loss for the period	-	(458)	(458)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(458)</b>	<b>(458)</b>
<b>Transactions with owners, recorded directly in equity</b>			
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2011</b>	<b>73,005</b>	<b>(646)</b>	<b>72,359</b>
<b>For the half-year ended 31 December 2010</b>			
	<b>Issued Capital \$'000</b>	<b>Accumulated Losses \$'000</b>	<b>Total \$'000</b>
<b>At 30 June 2010</b>	<b>73,005</b>	<b>(2,138)</b>	<b>70,867</b>
<b>Total comprehensive income for the period</b>			
Profit for the period	-	948	948
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>948</b>	<b>948</b>
<b>Transactions with owners, recorded directly in equity</b>			
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>At 31 December 2010</b>	<b>73,005</b>	<b>(1,190)</b>	<b>71,815</b>

The above Statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements set out on pages 16 to 19.

## Statement of cash flows

<b>For the half-year ended 31 December 2011</b>	<b>December 2011 \$'000</b>	<b>December 2010 \$'000</b>
<b>Cash flows from operating activities</b>		
Dividends and distributions received	9,290	1,755
Interest received	64	36
Interest paid	(219)	(39)
Taxes paid	(1,297)	(416)
Payments to suppliers and directors	(766)	(551)
<b>Net cash flows from operating activities</b>	<b>7,072</b>	<b>785</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of listed private equity investments	-	133
Proceeds from sale of unlisted private equity investments	-	217
Purchases of unlisted private equity investments	(2,800)	(4,424)
Proceeds from capital returned on unlisted private equity investments	9,123	2,126
Proceeds of loans to shareholders of co-investments	47	-
<b>Net cash flows from/(used in) investing activities</b>	<b>6,370</b>	<b>(1,948)</b>
<b>Cash flows from financing activities</b>		
Proceeds from debt drawdown	-	2,500
Repayment of debt facility	(9,500)	-
<b>Net cash flows (used in)/from financing activities</b>	<b>(9,500)</b>	<b>2,500</b>
<b>Net increase in cash &amp; cash equivalents held</b>	<b>3,942</b>	<b>1,337</b>
Add opening cash and cash equivalents brought forward	821	468
<b>Cash and cash equivalents at end of the period</b>	<b>4,763</b>	<b>1,805</b>

The above Statement of cash flows should be read in conjunction with the accompanying notes to the financial statements set out on pages 16 to 19.

# Notes to the financial statements

For the half-year ended 31 December 2011

## 1. Corporate Information

The half-year financial report of ING Private Equity Access Limited for the period ended 31 December 2011 was authorised for issue in accordance with a resolution of the board of directors on 17 February 2012.

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

## 2. Summary of significant accounting policies

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position, and financing and investing activities of the Company as the full financial report. The half-year financial report should be read in conjunction with the annual financial report of ING Private Equity Access Limited as at 30 June 2011. It is also recommended that the half-year financial report be considered together with any public announcements made by ING Private Equity Access Limited during the half-year ended 31 December 2011 in accordance with the continuous disclosure obligations arising under the Australian Stock Exchange Listing Rules and the *Corporations Act 2001*.

### (a) Statement of compliance

These interim financial statements have been prepared in accordance with AASB 134: *“Interim Financial Reporting”*. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the financial statements of the company as at and for the year ended 30 June 2011.

### (b) Basis of preparation

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

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated under the option available to the Company under ASIC class order 98/100. The Company is an entity to which the class order applies. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

### (c) Changes in accounting policies

The accounting policies applied by the Company in the half-year financial statements are the same as those applied by the Company in its annual financial statements for the year ended 30 June 2011.

### (d) Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the financial report as at and for the year ended 30 June 2011.

## Notes to the financial statements (continued)

For the half-year ended 31 December 2011

### 3. Dividends paid and proposed

No dividends have been paid or proposed in the current or prior financial periods.

### 4. Operating Segments

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

Reportable segment information	Private Equity Investment Segment	
	\$'000	\$'000
	December 2011	December 2010
External revenues	9,345	2,247
Interest expense	(149)	(209)
Reportable segment profit before income tax	(715)	1,409
	December 2011	June 2011
Reportable segment assets	63,950	79,497
Reportable segment liabilities	(168)	(9,569)

  

Reconciliation of external revenues	December 2011	December 2010
Total revenue for reportable segment	9,345	2,247
<b>Total revenue</b>	<b>9,345</b>	<b>2,247</b>

  

Reconciliation of reportable segment profit or loss	December 2011	December 2010
Total profit or loss before income tax for reportable segment	(715)	1,409
Unallocated amounts:		
Non segment revenues	66	37
Other corporate expenses	(178)	(179)
<b>Profit before income tax</b>	<b>(827)</b>	<b>1,267</b>

  

Reconciliation of reportable segment assets	December 2011	June 2011
Total assets for reportable segment	63,949	79,497
Other assets	9,552	3,379
<b>Total assets</b>	<b>73,501</b>	<b>82,876</b>

## Notes to the financial statements (continued)

For the half-year ended 31 December 2011

<b>Reconciliation of reportable segment liabilities</b>	<b>December 2011</b>	<b>June 2011</b>
Total liabilities for reportable segment	167	9,752
Other liabilities	975	307
<b>Total liabilities</b>	<b>1,142</b>	<b>10,059</b>

### Geographical segments

The Company's investments are managed by Pomona Australia Pty Limited in Australia, but its investments are domiciled in Australia, New Zealand and the USA.

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

<b>Revenues</b>	<b>December 2011 \$'000</b>	<b>December 2010 \$'000</b>
Australia	9,691	2,536
Other countries	(346)	(289)
<b>Total revenue</b>	<b>9,345</b>	<b>2,247</b>

<b>Non-current investment assets</b>	<b>December 2011 \$'000</b>	<b>June 2011 \$'000</b>
Australia	59,896	75,081
Other countries	3,551	4,021
<b>Total non-current investment assets</b>	<b>63,447</b>	<b>79,102</b>

### 5. Income tax benefit/(expense)

Income tax benefit/(expense) is recognised based on the Company's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Company's effective tax rate for the six months ended 31 December 2011 was 40% (2010: (25%)).

### 6. Commitments

Estimated commitments contracted for, but yet to be called as at 31 December 2011 are \$20.84 million (June 2011: \$23.6 million).

These long term commitments reflect the commitment in respect of future investments in current private equity investments held. Due to the inherent nature of private equity investments, the timeframe of these commitments cannot be predicted because capital can be called by investment managers at any time. Although these commitments may be called at any time, past experience of the Board and the investment manager indicate that it is highly

## Notes to the financial statements (continued)

For the half-year ended 31 December 2011

unlikely that the Company would be required to pay all of their private equity investment commitments at one time. This is supported by historical trends.

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.

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:

- Utilising cash on hand;
- Utilising the current debt finance facility of the Company and, if required, arranging another facility before expiry of the current facility in July 2012;
- 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;
- Capital raised through a share placement or rights issue.

### 7. Contingent liabilities and contingent assets

#### (a) Contingent liabilities

There have not been any changes in contingent liabilities since the last reporting date. The contingent liabilities of the Company remain nil. (June 2011: \$Nil).

#### (b) Contingent assets

There have not been any changes in contingent assets since the last reporting date. The contingent assets of the Company remain nil. (June 2011: \$Nil).

### 8. Subsequent events

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.

## Directors' Declaration

1. In the opinion of the Directors of ING Private Equity Access Limited (the Company):
  - (a) the financial statements and notes set out on pages 12 to 19 are in accordance with the Corporations Act 2001, including:
    - (i) giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
    - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

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

Geoff Brunson  
Chairman

Sydney  
17 February 2012

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### **Independent Auditor's Review Report To the members of ING Private Equity Access Limited**

We have reviewed the accompanying half-year financial report of ING Private Equity Access Limited ("Company"), which comprises the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration.

#### **Directors' responsibility for the half-year financial report**

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the financial position as at 31 December 2011 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of ING Private Equity Access Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**

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

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ING Private Equity Access Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the Company's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



G S Layland  
Director - Audit & Assurance

Sydney, 17 February 2012