

IPH Limited

ABN 49 169 015 838

Appendix 4E – Preliminary Final Report Full year ended 30 June 2015 (“FY15”)

Reporting periods

Current reporting period:	Financial year ended 30 June 2015
Previous corresponding period:	Financial year ended 30 June 2014

Results for announcement to the market	Change			FY15 \$'000	FY14 \$'000
Revenue from ordinary activities	Up	23%	to	88,716	72,212
Profit from ordinary activities after tax attributable to members	Down	5%	to	30,589	32,155
Profit for the period attributable to members	Down	3%	to	30,589	31,389

Corporate/Group Reorganisation

On 2 October 2014, the Company via its subsidiary, Spruson & Ferguson Pty Limited, acquired the business, and the controlled entities, of the Spruson & Ferguson Unit Trust (the 'Trust') pursuant to a scheme whereby 100% of the Trust was acquired in exchange for 152 million shares in the Company. For accounting purposes, the acquisition was treated as a corporate/group reorganisation.

To aid comparability, this information relates to IPH Limited as a continuation of an existing business through the corporate/group reorganisation, and not from the date the company was incorporated.

Operating Performance

During the financial year the Group's Asian businesses continued to grow strongly, while the Australian patent business has broadly maintained its market share and the trademarks business has lost some market share when compared to the previous financial year. Generally, Australian patent filings show relatively little or no growth compared to the previous financial year.

The continuing development of the Group's IT systems has started to deliver efficiencies and greater flexibility across the group operations.

Statutory / Pro forma Results Reconciliation

The following table has been prepared so as to eliminate the effect of the restructuring of the Group, which took place during the financial year ended 30 June 2015, and present the results on the basis of how the Group has been constituted since the restructuring:

Statutory / Pro forma Results Reconciliation	FY15 \$'000	FY14 \$'000
Statutory Net Profit after Tax	30,589	32,155
add: Tax	6,297	2,589
add: Interest expense	623	301
add: Depreciation & amortisation	1,062	826
Statutory Earnings before Interest, Tax, Depreciation & Amortisation	38,571	35,871
add: IPO expenses	3,499	400
add: LTIP establishment/leave balances adjustments	970	-
add: Spruson & Ferguson Law earnings (net of distributions)	131	-
less: Notional salaries adjustment	(800)	(4,300)
less: Notional public company costs	(100)	(2,000)
Pro forma Earnings before Interest, Tax, Depreciation & Amortisation	42,271	29,971
less: Pro forma depreciation & amortisation	(1,062)	(826)
less: Pro forma interest expense	(623)	(401)
less: Pro forma tax	(9,697)	(6,889)
Pro forma Net Profit after Tax	30,889	21,855

Bank Facilities Agreement

On 25 August 2014, the Group entered into a Facilities Agreement ('Agreement') with Australian and New Zealand Banking Group Limited. The facilities provided under the Agreement comprised a \$30 million multi-option facility with a term of three years for the general corporate purposes and a \$2 million revolving annual credit facility allowing for financial guarantees and standby letters of credit to be issued for the general corporate purposes of the Group. On the 7 July 2015 IPH amended the Agreement to extend the facility to \$100 million over a 3 year term.

This Report should be read in conjunction with the attached Preliminary Financial Information

Dividends	Amount per Share	Franked amount per Share	\$,000
<i>Current period</i>			
Final dividend	10.0c	5.0c	16,341
Interim dividend	3.5c	2.5c	5,514

Record date for determining entitlement to the dividend:

- Final dividend 7 September 2015
- Interim dividend 5 March 2015

The final dividend is eligible to participate in the Company's dividend re-investment plan. Applications to participate in the plan in respect of the final dividend must be received by the Company's share registry no later than 5:00pm on 8 September 2015.

Previous period

There were no dividends paid, recommended or declared during the previous financial period.

Net tangible assets	FY15	FY14
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Net tangible asset backing per share	\$0.00	\$0.00
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The net tangible assets per ordinary security for the previous period is calculated based on the 420 ordinary shares on issue as at 30 June 2014 and an additional 151,999,680 ordinary shares that would have been in existence had the corporate/group reorganisation occurred as at 1 July 2013.

Control gained over entities

On 2 October 2014 IPH Limited, via its subsidiary Spruson & Ferguson Pty Limited acquired the business, and the controlled entities, of the Spruson & Ferguson Unit Trust. For accounting purposes the acquisition has been treated as a corporate/group reorganisation.

On 30 April 2015, the Group acquired data analysis and software companies Practice Insight Pty Ltd and WiseTime Pty Ltd for a total consideration of \$7,694,000. The consideration was settled by issuing 855,111 IPH Limited's shares at an issue price of \$4.32 per share (acquisition date fair value) and cash of \$4,000,000.

On 28 May 2015, the Group acquired Patent & Trade Mark Attorneys firm Fisher Adams Kelly Pty Ltd for a total consideration of \$24,015,000. The consideration to be finally settled by the issue of a total of 4,992,665 shares in IPH Limited (of which 3,963,655 were issued prior to year end) at an issue price of \$4.81 per share (acquisition date fair value).

Loss of control over entities

Not applicable

Dividend re-investment plans

On 7 August 2015, IPH Limited announced the adoption of a Dividend Re-Investment Plan (the “Plan”) for the Company. The Plan is designed to enable shareholders to increase their investment in IPH in an efficient manner, as all transaction costs will be paid by the Company. Under the Plan, shareholders may elect to have all, a portion or none of their dividends invested in new shares issued by the Company.

Details of associates and joint venture entities

Not applicable

Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable

Audit qualification or review

Details of audit/review dispute or qualification (if any):

The attached information is based on financial statements in the process of being audited.

Attachments

Details of attachments (if any):

Preliminary Financial Information is attached.

Signed

A handwritten signature in black ink, appearing to read 'Malcolm Mitchell', with a long horizontal stroke extending to the right.

Malcolm Mitchell
Group Chief Financial Officer
Sydney

Date: 27 August 2015

Appendix 4E

Preliminary Financial Information

30 JUNE 2015

PRELIMINARY FINANCIAL REPORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE

		Consolidated	
	Note	30 June 2015	30 June 2014
		\$'000	\$'000
Revenue		88,716	72,212
Other income	4	5,202	4,855
Expenses			
Employee benefits expense		(27,026)	(20,848)
Depreciation and amortisation expense	5	(1,062)	(826)
Rental expenses	5	(2,908)	(2,327)
Restructure and formation expenses		(3,499)	(400)
Business acquisition costs		(310)	-
Agent fee expenses		(15,374)	(12,520)
Insurance expenses		(347)	(324)
Travel expenses		(533)	(459)
Printing & stationery expenses		(266)	(281)
Other expenses		(5,084)	(4,037)
Finance costs	5	(623)	(301)
Profit before income tax expense		36,886	34,744
Income tax expense		(6,297)	(2,589)
Profit after income tax expense for the year		30,589	32,155
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign currency translation		43	(73)
Other comprehensive income for the year, net of tax		43	(73)
Total comprehensive income for the year		30,632	32,082
Profit for the year is attributable to:			
Non-controlling interest		274	816
Owners of IPH Limited		30,315	31,339
		30,589	32,155
Total comprehensive income for the year is attributable to:			
Non-controlling interest		274	811
Owners of IPH Limited		30,358	31,271
		30,632	32,082
Earnings per share			
From continuing and discontinuing operations			
Basic earnings (cents per share)	9	19.51	20.62
Diluted earnings (cents per share)	9	19.48	20.62

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

PRELIMINARY FINANCIAL REPORT

STATEMENT OF FINANCIAL POSITION

	Note	Consolidated 30 June 2015 \$'000	30 June 2014 \$'000
Current assets			
Cash and cash equivalents		5,346	4,321
Trade and other receivables		27,410	20,288
Other		2,124	1,071
Total current assets		34,880	25,680
Non-current assets			
Available-for-sale financial assets		29	25
Property, plant and equipment		1,188	1,126
Intangibles		34,525	595
Deferred tax		1,972	-
Total non-current assets		37,714	1,746
Total assets		72,594	27,426
Current liabilities			
Trade and other payables		9,978	6,423
Borrowings		2,753	2,506
Income tax		5,664	2,506
Provisions		4,705	2,616
Other financial liabilities		-	451
Other		4,950	7,182
Deferred revenue		1,162	1,635
Total current liabilities		29,212	23,319
Non-current liabilities			
Borrowings		7,797	3,591
Deferred tax		-	21
Provisions		407	347
Total non-current liabilities		8,204	3,959
Total liabilities		37,416	27,278
Net assets		35,178	148
Equity			
Issued capital	2	35,305	420
Reserves		(14,588)	(4,748)
Retained profits		14,461	3,933
Equity attributable to the owners of IPH Limited		35,178	(395)
Non-controlling interests		-	543
Total equity		35,178	148

The above statement of financial position should be read in conjunction with the accompanying notes.

PRELIMINARY FINANCIAL REPORT

STATEMENT OF CHANGES IN EQUITY

Consolidated	Issued capital	Reserves	Retained profits	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2013	420	(4,680)	4,674	600	1,014
Profit after income tax expense for the year	-	-	31,339	816	32,155
Other comprehensive income for the year, net of tax	-	(68)	-	(5)	(73)
Total comprehensive income for the year	-	(68)	31,339	811	32,082

Transactions with owners in their capacity as owners:

Dividends paid to non-controlling interests	-	-	-	(868)	(868)
Distributions to trust unit holders	-	-	(32,080)	-	(32,080)
Balance at 30 June 2014	420	(4,748)	3,933	543	148

Consolidated	Issued capital	Reserves	Retained profits	Non-controlling interest	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2014	420	(4,748)	3,933	543	148
Profit after income tax expense for the year	-	-	30,315	274	30,589
Other comprehensive income for the year, net of tax	-	43	-	-	43
Total comprehensive income for the year	-	43	30,315	274	30,632

Transactions with owners in their capacity as owners:

Net conversion of units	451	-	-	-	451
Issue of ordinary shares	321	-	-	-	321
Contributions of equity, net of transaction costs	22,759	-	-	-	22,759
Share-based payments	-	495	-	-	495
Acquisition of non-controlling interest	11,354	(10,378)	-	(159)	817
Distributions to trust unit holders	-	-	(14,273)	-	(14,273)
Dividends paid	-	-	(5,514)	(658)	(6,172)
Balance at 30 June 2015	35,305	(14,588)	14,461	-	35,178

PRELIMINARY FINANCIAL REPORT

STATEMENT OF CASH FLOWS

	Note	Consolidated	
		30 June 2015 \$'000	30 June 2014 \$'000
Cash flows from operating activities			
Receipts from customers		97,152	87,861
Payments to suppliers and employees		(60,284)	(47,376)
Interest received		100	18
Interest and other finance costs paid		(623)	(301)
Income taxes paid		(4,780)	(1,889)
Net cash from operating activities	8	31,565	38,313
Cash flows from investing activities			
Payments for purchase of subsidiaries, net of cash acquired	6	(3,211)	-
Payments for property, plant and equipment		(595)	(546)
Payments for intangibles		(652)	(595)
Dividends received		112	-
Net cash used in investing activities		(4,346)	(1,141)
Cash flows from financing activities			
Proceeds from issue of units		-	450
Distributions paid to previous owners		(21,296)	(36,354)
Dividends paid		(5,514)	(868)
Proceeds of borrowings		10,550	(701)
Repayment of borrowings		(9,579)	-
Net cash used in financing activities		(25,839)	(37,473)
Net increase/(decrease) in cash and cash equivalents		1,380	(301)
Cash and cash equivalents at the beginning of the financial year		4,321	4,609
Effects of exchange rate changes on cash and cash equivalents		(355)	13

The above statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. BASIS OF PREPARATION

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report is based on accounts that are in the process of being audited.

The accounting policies applied are consistent with those applied in the condensed financial statements for the half-year ended 31 December 2014.

NOTE 2. ISSUED CAPITAL

	30 June 2015 Shares	Consolidated		30 June 2014 \$'000
		30 June 2014 Units	30 June 2015 \$'000	
Ordinary Units - fully paid	-	320	-	420
Ordinary Class shares - fully paid	162,378,265	-	35,305	-
	162,378,265	320	35,305	420

Movements in ordinary units

Details	Date	Units	\$'000
Balance	1 July 2013	320	420
Balance	30 June 2014	320	420
Subdivision of units	19 November 2014	151,999,680	-
Units converted on IPO	19 November 2014	(152,000,000)	(420)
Balance	30 June 2015	-	-

Movements in Ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2013	-	-
Balance	30 June 2014	-	-
Conversion of units	19 November 2014	152,000,000	871
Acquisition of non-controlling interest	19 November 2014	5,406,666	11,354
Issue of shares to employees	19 November 2014	57,596	121
Issue of shares for directors services	19 November 2014	95,237	200
Acquisition of Practice Insight Pty Ltd	30 April 2015	855,111	3,694
Acquisition of Fisher Adams Kelly Pty Ltd	28 May 2015	3,963,655	19,065
Balance	30 June 2015	162,378,265	35,305

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

The Group is organised into two geographic segments: Australia and Asia. These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Australia	The Australian office operates as a hub for activities in Australia, New Zealand and the Pacific providing patent, trade mark and design filings.
Asia	The Asia office operates as a hub for Asia providing patent, design filing and prosecution services.

Intersegment transactions

There are varying levels of integration between the Australian and Asia segments. The integration includes provision of professional, technology and management services.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation

Consolidated	Australia		Asia		Intersegment eliminations / unallocated		Total	
	2015	2014	2015	2014	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue								
Sales to external customers	47,297	41,852	41,897	31,138	(478)	(778)	88,716	72,212
Intersegment sales	265	-	116	335	(381)	(335)	-	-
Total sales revenue	47,562	41,852	42,013	31,473	(859)	(1,113)	88,716	72,212
Interest revenue	99	17	1	1	-	-	100	18
Other revenue	22,056	17,327	906	45	(17,860)	(12,535)	5,102	4,837
Total revenue	69,717	59,196	42,920	31,519	(18,719)	(13,648)	93,918	77,067
Profit before income tax expense	43,807	32,080	20,858	11,861	(27,779)	(9,197)	36,886	34,744
Income tax expense							(6,297)	(2,589)
Profit after income tax expense							30,589	32,155
Assets								
Segment assets	60,901	22,049	17,231	11,510	(5,538)	(6,133)	72,594	27,426
Total assets							72,594	27,426
Liabilities								
Segment liabilities	28,441	21,964	8,758	5,557	217	(243)	37,416	27,278
Total liabilities							37,416	27,278

NOTES TO THE FINANCIAL STATEMENTS

NOTE 4. OTHER INCOME

	Consolidated	
	30 June 2015	30 June 2014
	\$'000	\$'000
Distributions from related party	112	1,366
Net foreign exchange gain	3,120	40
Other income	350	697
Commission	1,491	1,594
Consulting fees	29	1,140
Interest	100	18
	5,202	4,855

NOTE 5. EXPENSES

Profit before income tax includes the following specific expenses:

	Consolidated	
	30 June 2015	30 June 2014
	\$'000	\$'000
<i>Depreciation and amortisation</i>		
Depreciation of plant and equipment	745	826
Amortisation of intangibles	317	-
Total depreciation and amortisation	1,062	826
Share based payments	495	-
Superannuation expense	2,069	1,617
<i>Finance costs</i>		
Interest and finance charges paid/payable	623	301
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	2,908	2,327

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. BUSINESS COMBINATIONS

Practice Insight Pty Ltd and WiseTime Pty Ltd

On 30 April 2015, the Group acquired 100% of the ordinary shares of data analysis and software companies Practice Insight Pty Ltd and WiseTime Pty Ltd under the terms of a Share Purchase Agreement (SPA). Under the terms of the SPA, the consideration is settled by way of the issue of 855,111 IPH Limited's shares at an issue price of \$4.6778 per share and cash of \$4,000,000, subject to accounting adjustments. Of the \$7,653,195 intangibles acquired it is anticipated most of this balance will be allocated to goodwill and represents the expected synergies from merging these businesses with the Group.

In accordance with accounting standard AASB3, the shares issued have been recorded at their acquisition date fair value (\$4.3200 per share). Consequently, the value of the 855,111 shares issued, has been recorded in the financial statements as \$3,694,000 which has the effect of valuing the acquisition at a total of \$7,694,000. The acquired business contributed revenues of \$104,000 and profit after tax of \$3,490 to the Group for the period from 30 April 2015 to 30 June 2015. If the acquisition occurred on 1 July 2014, the full year contributions would have been revenues of \$285,000 and profit after tax of \$76,000.

The initial accounting for the acquisition of Practice Insight Pty Ltd and WiseTime Pty Ltd has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of Practice Insight's assets are required to be reset based on market values. At the date of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimates of the likely values. The assets for which initial accounting has not been completed relates to the allocation of the purchase price to software, customer relationships and trademarks.

Details of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	77
Trade receivables	145
Plant and equipment	5
Other intangible assets	14
Trade payables	(35)
Deferred revenue	(165)
Net assets acquired	41
Goodwill and intangibles	7,653
Acquisition-date fair value of the total consideration transferred	7,694
Representing:	
Cash paid or payable to vendor	4,000
IPH Limited shares issued to vendor	3,694
	7,694
Acquisition costs expensed to profit or loss	117
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	7,694
Less: cash and cash equivalents acquired	(77)
Less: shares issued by Company as part of consideration (Note 2)	(3,694)
Net cash used	3,923

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. BUSINESS COMBINATIONS (continued)

Fisher Adams Kelly Pty Ltd

On 28 May 2015 the Group acquired 100% of the ordinary shares of patent & trade mark attorneys firm Fisher Adams Kelly Pty Ltd "FAK" under the terms of a Share Purchase Agreement (SPA). The final agreed purchase price was \$22,912,339 which was based on seven and a half times FAK's forecast earnings before interest and tax for its financial year ended 30 June 2015 subject to accounting adjustments.

Under the terms of the SPA, \$18,190,005 of the purchase price was settled by way of the issue of ordinary shares in IPH to the vendors of FAK at a price of \$4.5892 per share, which equated to the issue of 3,963,655. The balance of the purchase price of \$4,950,000 recognised as deferred consideration.

In accordance with accounting standard AASB3, the shares issued have been recorded at their acquisition date fair value (\$4.810 per share). Consequently, the value of the 3,963,655 shares issued and the 1,029,010 shares to be issued, has been recorded in the financial statements as \$24,014,715, which has the effect of valuing the acquisition of FAK at a total of \$24,014,719.

The acquired business contributed revenues of \$1,572,000 and profit after tax of \$263,000 to the Group for the period from 28 May 2015 to 30 June 2015. If the acquisition occurred on 1 July 2014, the full year contributions would have been revenues of \$16,433,000 and profit after tax of \$2,035,000.

The initial accounting for the acquisition of FAK Pty Ltd has only been provisionally determined at the end of the reporting period. For tax purposes, the tax values of FAK's assets are required to be reset based on market values. At the date of these consolidated financial statements, the necessary market valuations and other calculations had not been finalised and they have therefore only been provisionally determined based on the directors' best estimates of the likely values. The assets for which initial accounting has not been completed include allocation of the purchase price to customer relationships and trademarks.

Details of the acquisition are as follows:

	Fair value \$'000
Cash and cash equivalents	712
Trade and other receivables	2,858
Plant and equipment	207
Other assets	665
Trade payables	(1,747)
Deferred tax asset	352
Provisions	(1,478)
Borrowings	(3,482)
Net assets acquired	(1,913)
Goodwill and intangibles	25,928
Acquisition-date fair value of the total consideration transferred	24,015
Representing:	
IPH Limited shares issued to vendor	19,065
Deferred consideration	4,950
	24,015

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6. BUSINESS COMBINATIONS (continued)

Fisher Adams Kelly Pty Ltd (continued)

	Fair value \$'000
Acquisition costs expensed to profit or loss	164
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	24,015
Less: shares issued by Company as part of consideration (Note.2)	(19,065)
Less: cash and cash equivalents acquired	(712)
Deferred consideration	(4,950)
Net cash acquired	(712)

NOTE 7. INTEREST IN SUBSIDIARIES

Name	Principal place of business / Country of incorporation	Principal activities	Parent		Non-controlling interest	
			Ownership interest	Ownership interest	Ownership interest	Ownership interest
			30 Jun 2015 %	30 Jun 2014 %	%	30 Jun 2014 %
Spruson & Ferguson Pty (NSW) Limited	Australia	Non trading entity	100.00%	100.00%	-%	-%
Spruson & Ferguson Pty Limited	Australia	Patent attorneys	100.00%	100.00%	-%	-%
Spruson & Ferguson Lawyers Pty Limited	Australia	Lawyers	100.00%	100.00%	-%	-%
Spruson & Ferguson (Asia) Pte Ltd	Singapore	Patent attorneys	100.00%	93.00%	-%	7.00%
Spruson & Ferguson SDN BHD	Malaysia	Patent attorneys	100.00%	100.00%	-%	-%
IPH Services Limited	Australia	Software Development	100.00%	100.00%	-%	-%
Practice Insight Pty Limited	Australia	Data analysis and software	100.00%	-%	-%	-%
Wise Time Pty Limited	Australia	Data analysis and software	100.00%	-%	-%	-%
Fisher Adams Kelly Pty Limited	Australia	Patent attorneys	100.00%	-%	-%	-%

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated	
	30 June 2015	30 June 2014
	\$'000	\$'000
Profit after income tax expense for the year	30,589	32,155
<i>Adjustments for:</i>		
Depreciation and amortisation	1,062	826
Unrealised foreign exchange	398	985
Dividend income	(112)	-
Share-based payments	495	-
Issue of shares on listing to employees and directors	321	-
Other	(4)	-
<i>Change in operating assets and liabilities:</i>		
Decrease/(increase) in trade and other receivables	(4,083)	2,130
Increase in deferred tax assets	(1,641)	(1)
Decrease/(increase) in other assets	(424)	63
Increase/(decrease) in trade and other payables	1,773	551
Increase in provision for income tax	3,158	702
Decrease in deferred revenue	(638)	(108)
Increase in provisions	671	1,010
Net cash from operating activities	31,565	38,313

NOTE 9. EARNINGS PER SHARE (continued)

	Consolidated	
	30 June 2015	30 June 2014
	\$'000	\$'000
Profit after income tax	30,589	32,155
Non-controlling interest	(274)	(816)
Profit after income tax attributable to the owners of IPH Limited	30,315	31,339

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	155,387,554	152,000,000
Performance and retention rights	225,725	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	155,613,279	152,000,000

NOTES TO THE FINANCIAL STATEMENTS

NOTE 9. EARNINGS PER SHARE (continued)

	Cents	Cents
Basic earnings per share	19.51	20,62
Diluted earnings per share	19.48	20.62

The weighted average number of ordinary shares for the year ended 30 June 2014 is calculated based on 320 ordinary shares on issue during the year and 152,000,000 ordinary shares that would have been in existence had the corporate/group reorganisation occurred as at 1 July 2013.

NOTE 10. EVENTS AFTER THE REPORTING PERIOD

No matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.