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8IP Emerging Companies Limited

ABN 75 608 411 347

Appendix 4D

Preliminary report

for the half-year ended 31 December 2016

Half-year report

This half-year ended report is for the reporting half-year from 1 July 2016 to 31 December 2016. The prior comparative period is for the period from 24 September 2015 (date of incorporation) to 31 December 2015, the Company commenced operation on 1 December 2015.

Results for announcement to the market

Revenue from ordinary activities	Up	101.05%	from	1,518,742	to	3,053,400
Profit before tax for the half-year	Up	66.18%	from	1,305,040	to	2,168,726
Profit from ordinary activities after tax attributable to members	Up	70.31%	from	913,415	to	1,555,637

Dividends

Since the end of the financial period, the Directors have declared fully franked dividends of 1.0 cent per share to be paid on 4 April 2017 for the period ended 31 December 2016. The record date for determining entitlement to the dividend will be 7 March 2017.

Net tangible assets

	31 December 2016 \$	31 December 2015 \$
Net tangible asset backing (per share) after tax	1.0959	1.0056
Net tangible asset backing (per share) before tax	1.1403	1.0092

Brief explanation of results

Revenue from ordinary activities of \$3.1m up 101% (\$1.4m) on the prior period.

Operating profit of \$2.2m before tax is up 66% on the prior comparative period of \$1.3m, with operating profit after tax of \$1.6m, up 70% on the prior comparative period of \$0.9m. The prior comparative period is for the period from 24 September 2015 (date of incorporation) to 31 December 2015, while the current period is for the period from 1 July 2016 to 31 December 2016.

Net tangible assets per share of \$1.14 (after tax) is up from the reported 30 June 2016 disclosure of \$1.07. 8EC's share price of \$1.01 at 31 December 2016 was at a discount to NTA.

Portfolio performance, before taxes of 7.54% outperformed the benchmark by 5.75%.

During the period ending 31 December 2016, 8EC successfully raised \$7.9m through the exercise of options.

The Board declared a maiden interim dividend of 1.0 cent fully franked per share.

Further information

This report is based on the Half Year Financial Report which has been subject to independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2016 Annual Financial Report.

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8IP Emerging Companies Limited

ABN 75 608 411 347

Interim Report for the half-year ended 31 December 2016

8IP Emerging Companies Limited ABN 75 608 411 347
Interim Report - for the half-year ended 31 December 2016

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the period ended 30 June 2016 and any public announcements made by 8IP Emerging Companies Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

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Corporate Directory

Directors

Jonathan Sweeney (Chairman)
Tony McDonald (Independent Director)
Kerry Series (Non-independent Director)

Secretary

Tharun Kuppanda

Investment Manager

Eight Investment Partners Pty Limited
Level 11, 131 Macquarie Street
Sydney NSW 2000
Telephone: (02) 8274 2088

Registered office

c/o Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: (02) 9290 9600

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange) refer to www.asx.com.au or call (02) 8262 2800.

Custodian and Administrator

White Outsourcing Pty Limited
Level 3, 99 Bathurst Street
Sydney NSW 2000
Telephone: (02) 8262 2800
Facsimile: (02) 9221 1194

Share registrar

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: 1300 737 760
Facsimile: (02) 9279 0664
Email: enquiries@boardroomlimited.com.au

For enquiries relating to shareholdings, dividends and related matters, please contact the share registrar.

Auditor

Pitcher Partners
Level 22 MLC Centre
19 Martin Place
Sydney NSW 2000
Telephone: (02) 9221 2099
Facsimile: (02) 9223 1762

Stock exchange

Australian Securities Exchange (ASX)
The home exchange is Sydney
ASX code: 8EC Ordinary Shares

Website

www.8EC.com.au

Directors' Report

The Directors present their report together with the condensed interim financial report of 8IP Emerging Companies Limited ("the Company") for the half-year ended 31 December 2016. The prior comparative period is for the period from 24 September 2015 (date of incorporation) to 31 December 2015, the Company commenced operation on 1 December 2015.

Directors

The following persons held office as Directors of 8IP Emerging Companies Limited during the half-year and up to the date of this report:

Jonathan Sweeney (Chairman)
Tony McDonald (Independent Director)
Kerry Series (Non-independent Director)

Principal activities

The Company's investment strategy is to invest in a concentrated portfolio of primarily ASX-listed companies with market capitalisations typically in the range of \$20 million to \$500 million. No change in this activity took place during the half-year ended 31 December 2016 or is likely to take place in the future.

Review of operations

The operating profit before tax was \$2,168,726 for the half-year ended 31 December 2016 (2015: \$1,305,040). The net result after tax was a profit of \$1,555,637 (2015: \$913,415).

The net tangible asset backing before tax as at 31 December 2016 as initially published was \$1.1217 per share but was amended to \$1.1403 (2015: \$1.0092) after a recommended change to the calculation methodology by the Company auditor was adopted by the Board.

The Board declared a 1.0 cent fully franked interim dividend for the half year ended 31 December 2016 (2015: nil).

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the half-year ended 31 December 2016.

Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial report have been rounded to the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Board of Directors.

Jonathan Sweeney
Chairman

Sydney
28 February 2017

Chairman's Letter

The half year to 31 December 2016 was a difficult period for the Australian stock market with strong sector rotation and a narrow range of good performers, with resource companies being favoured and smaller growth companies struggling.

The All Ordinaries Accumulation Index was up 9.9% over the 6 months and the Small Ordinaries Accumulation Index up 5.8%. The gross performance of the 8EC portfolio was up 7.5%, a credible performance given the challenges of the market environment. The pre-tax net assets per share of 8EC was up 3.4% after allowing for the dilution from the exercise of the options during the month of December and allowing for a change to the methodology of the calculation of pre-tax net assets following a review by the auditor.

The Company reported a net profit after tax of \$1.56 million for the half year, adding to its net profit of \$3.11 million for the period ended 30 June 2016.

The options that were issued upon listing matured on 12 December 2016 and 7,951,095, or approximately 50%, were exercised. This increased the shares on issue to 41,018,108.

In light of the Company's strong performance the Board has decided to declare a maiden dividend. The Board has declared a fully franked interim dividend of 1 cent per share.

Your board recognises and appreciates the loyalty of shareholders and their patience with the continuing share price discount to net tangible assets per share. It is disappointing that the strong pre-tax net tangible assets per share growth of some 14% over the issue price has not been reflected in the share price.

The Board fully intends to take initiatives that are squarely aimed at rewarding our shareholders, including initiatives directed towards managing any discount to NTA. In that vein, the Board saw fit to declare a maiden dividend this half which is intended to reward shareholders in light of a strong performance for the half and for the year ended 30 June 2016.

The Board believes that the investment approach taken by the Manager, 8IP, will continue to provide rewards to shareholders over the medium term.

Jonathan Sweeney
Chairman

Chief Investment Officer's Report

CIO Report for Interim Results

Gross performance for the 6 months to 31 December 2016 was 7.5%. This compares to a 5.8% return for the S&P/ASX Small Ordinaries Accumulation Index.

The market environment for small companies changed markedly in the second half of the 2016 calendar year. The index peaked in mid-August and then suffered several months of consistent declines. We noticed a significant pick up in volatility in small cap stocks and more difficult liquidity positions. The outperformance of resource stocks continued and many high P/E growth stocks were de-rated. While the Company's portfolio was not immune to these swings, we are reasonably pleased with the outcome for the period given these headwinds.

The mandate flexibility was a clear benefit to portfolio returns with gains from shorting index futures in August and from the listing of a pre-IPO position in December.

The market trends established in 2016 look set to continue in 2017. While this means the environment may remain challenging for small cap investing, there are opportunities to generate attractive absolute returns. For example, Freedom Insurance (ASX: FIG) is one of our portfolio positions and looks set for a big year in 2017 with strong growth from the existing funeral bonds offering plus upside from the introduction of additional life insurance products. The share price rose from the listing price of 35c on 1 December to finish the month at 50c. At this price, we estimate that the P/E ratio is only 10x, well below listed comparables and with a faster earnings growth profile.

ASX/S&P Small Ordinaries Index (price return)

Auditor's Independence Declaration
To the Directors 8IP Emerging Companies Limited
ABN 75 608 411 347

In relation to the independent auditor's review for the half-year ended 31 December 2016, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the Corporations Act 2001; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of 8IP Emerging Companies Limited during the period.



SCOTT WHIDDETT
Partner

PITCHER PARTNERS
Sydney

28 February 2017

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8IP Emerging Companies Limited
Statement of Comprehensive Income
For the half-year ended 31 December 2016

	For the half-year ended 31 December 2016 \$	For the period 24 September to 31 December 2015 \$
Investment income from ordinary activities		
Net realised gains on financial instruments designated at fair value through profit or loss	1,981,592	11,400
Net realised gains on financial instruments held for trading	372,984	-
Net unrealised gains on investments	51,082	1,476,018
Dividend income	125,096	-
Interest income	297,646	31,324
Other income	225,000	-
	<u>3,053,400</u>	<u>1,518,742</u>
Expenses		
Management fees	(264,421)	(36,410)
Performance fees	(389,424)	(50,639)
Brokerage expense	(14,721)	(39,549)
Accounting fees	(34,993)	(5,228)
Company secretarial fees	(16,500)	-
Share registry fees	(10,895)	(1,025)
Custody fees	(15,713)	(11,475)
Tax fees	(4,950)	(4,500)
Directors' fees	(47,000)	(25,305)
ASX fees	(20,603)	(14,821)
Audit fees	(29,518)	(24,750)
Sales and marketing expense	(16,280)	-
Other expenses	(19,656)	-
	<u>(884,674)</u>	<u>(213,702)</u>
Profit before income tax	2,168,726	1,305,040
Income tax expense	(613,089)	(391,625)
Net profit for the half-year	1,555,637	913,415
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year	1,555,637	913,415
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic earnings per share	4.59	9.02
Diluted earnings per share	4.59	9.02

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

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8IP Emerging Companies Limited
Statement of Financial Position
As at 31 December 2016

		At	
	Notes	31 December 2016 \$	30 June 2016 \$
ASSETS			
Current assets			
Cash and cash equivalents		7,813,508	740,024
Trade and other receivables		94,486	187,174
Financial assets at fair value through profit or loss	3	39,214,046	36,807,648
Other current assets		16,103	18,289
Total current assets		47,138,143	37,753,135
Non-current assets			
Deferred tax asset		604,139	664,298
Total non-current assets		604,139	664,298
Total assets		47,742,282	38,417,433
LIABILITIES			
Current liabilities			
Trade and other payables		530,019	1,259,832
Current tax liabilities		563,813	-
Total current liabilities		1,093,832	1,259,832
Non-current liabilities			
Deferred tax liabilities		1,664,238	1,675,121
Total non-current liabilities		1,664,238	1,675,121
Total liabilities		2,758,070	2,934,953
Net assets		44,984,212	35,482,480
EQUITY			
Issued capital	7	40,313,892	32,367,797
Profits reserve		6,344,028	3,114,683
Accumulated losses		(1,673,708)	-
Total equity		44,984,212	35,482,480

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

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8IP Emerging Companies Limited
Statement of Changes in Equity
For the half-year ended 31 December 2016

Notes	Issued capital \$	Profits reserve \$	Retained earnings/ (Accumulated losses) \$	Total \$
Balance at 24 September 2015	1	-	-	1
Net profit for the period	-	-	913,415	913,415
Total comprehensive income for the period	-	-	913,415	913,415
Transactions with owners in their capacity as owners:				
Shares issued under IPO	7 33,067,012			33,067,012
Costs of issued capital, net of tax	(699,847)			(699,847)
Transfer to profits reserve		913,415	(913,415)	
	<u>32,367,165</u>	<u>913,415</u>	<u>(913,415)</u>	<u>32,367,165</u>
Balance at 31 December 2015	<u>32,367,166</u>	<u>913,415</u>	<u>-</u>	<u>33,280,581</u>
Balance at 1 July 2016	<u>32,367,797</u>	<u>3,114,683</u>	<u>-</u>	<u>35,482,480</u>
Net profit for the half-year	-	-	1,555,637	1,555,637
Total comprehensive income for the half-year	-	-	1,555,637	1,555,637
Transactions with owners in their capacity as owners:				
Shares issued on options exercised	7 7,946,095	-	-	7,946,095
Transfer to profits reserve	-	3,229,345	(3,229,345)	-
	<u>7,946,095</u>	<u>3,229,345</u>	<u>(3,229,345)</u>	<u>7,946,095</u>
Balance at 31 December 2016	<u>40,313,892</u>	<u>6,344,028</u>	<u>(1,673,708)</u>	<u>44,984,212</u>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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8IP Emerging Companies Limited
Statement of Cash Flows
For the half-year ended 31 December 2016

	Half-year ended	
	31 December	31 December
	2016	2015
	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial assets held at fair value through profit or loss	22,584,182	151,400
Purchase of financial assets held at fair value through profit or loss	(23,010,700)	(29,305,601)
Dividends received	125,096	-
Interest received	371,735	226
Underwriting income received	5,000	-
Other income received	220,000	-
Brokerage expenses paid	(14,839)	(39,549)
Performance fees paid	(686,590)	-
Investment management fees paid	(253,528)	-
Payments for other expenses	(212,967)	(34,729)
Net cash outflow from operating activities	(872,611)	(29,228,253)
Cash flows from financing activities		
Shares issued	-	33,067,013
Shares issued on options exercised	7,946,095	-
Share issue transaction costs	-	(867,470)
Net cash inflow from financing activities	7,946,095	32,199,543
Net increase in cash and cash equivalents	7,073,484	2,971,290
Cash and cash equivalents at the beginning of the half-year	740,024	-
Cash and cash equivalents at the end of the half-year	7,813,508	2,971,290

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

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1 General information

8IP Emerging Companies Limited (the "Company") is a listed public company domiciled in Australia. The address of 8IP Emerging Companies Limited's registered office is Level 12, 225 George Street, Sydney, NSW, 2000. The Company's investment strategy is to invest in a concentrated portfolio of primarily ASX-listed companies with market capitalisations typically in the range of \$20 million to \$500 million.

The prior comparative period is for the period from 24 September 2015 (date of incorporation) to 31 December 2015, the Company commenced operation on 1 December 2015.

The condensed interim financial statements were authorised for issue by the Board of Directors on 28 February 2017.

2 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these interim financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The interim financial statements are for the entity 8IP Emerging Companies Limited.

(a) Basis of preparation

These condensed interim financial statements for the half-year reporting period ended 31 December 2016 have been prepared in accordance with Australian Accounting Standards AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*.

The Company is a for-profit entity for the purpose of preparing the interim financial statements.

These interim financial statements do not include all the notes of the type normally included in an annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with any public announcements made by 8IP Emerging Companies Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The interim financial statements have been prepared on an accruals basis, and are based on historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been applied.

The accounting policies adopted are consistent with those of the previous financial year.

(i) Adoption of new and revised accounting standards

The Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current reporting half-year period.

(b) Rounding of amounts

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, the amounts in the Directors' Report and in the financial report have been rounded to the nearest dollar.

3 Fair value measurements

This note provides an update on the judgements and estimates made by the Company in determining the fair values of the financial instruments since the last annual financial report.

The Company measures and recognises the following financial assets at fair value on a recurring basis:

- Financial assets at fair value through profit or loss (FVTPL)

The Company has no assets or liabilities measured at fair value on a non-recurring basis.

3 Fair value measurements (continued)

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- (b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's financial assets measured and recognised at fair value at 31 December 2016 and 30 June 2016 on a recurring basis.

At 31 December 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Financial assets at FVTPL				
Equity securities	34,861,598	-	-	34,861,598
Unlisted equity securities	-	1,852,448	-	1,852,448
Interest bearing securities	-	2,500,000	-	2,500,000
Total financial assets	34,861,598	4,352,448	-	39,214,046
At 30 June 2016	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Financial assets at FVTPL				
Equity securities	29,403,961	-	-	29,403,961
Unlisted equity securities	-	1,603,687	-	1,603,687
Interest bearing securities	-	5,800,000	-	5,800,000
Total financial assets	29,403,961	7,403,687	-	36,807,648

Included within Level 1 of the hierarchy are listed investments. The fair value of these financial assets have been based on the last sale prices at the end of the reporting period, excluding transaction costs.

The investments included in Level 2 of the hierarchy include amounts in relation to Initial Public Offerings and Placements in which the Company has subscribed to during the half-year and equity securities suspended from official quotation on the Australian Securities Exchange. These investments have not listed on the Australian Securities Exchange as at half-year end and therefore represent investments in an inactive market. In valuing unlisted investments related to Initial Public Offerings and Placements, the fair value has been determined using the valuation technique of the subscription price and the amount of securities subscribed for by the Company under the relevant offers without any deduction for estimated future selling costs. Equity securities suspended from official quotation on the Australian Securities Exchange were valued at last traded price.

Also included within Level 2 of the hierarchy are interest bearing securities. These investments are in convertible notes that have been valued at cost which the Board consider to represent fair value.

There were transfers between levels 1 and 2 for recurring fair value measurements during the half-year, relating to the listing of the unlisted equity securities at half-year end. There were no transfers in and out of level 3.

3 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

(ii) Disclosed fair values

For all financial instruments other than those measured at fair value their carrying amount approximates fair value.

The carrying amounts of trade and other receivables and payables are reasonable approximations of their fair values due to their short-term nature.

4 Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities conducted in Australia, deriving revenue from dividend income, interest income and from the sale of its investments.

5 Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the financial period. The estimated average tax rate used for the period to 31 December 2016 is 28% (2015: 30%). The movement in the estimated average tax rate was mainly due to franking credits received.

6 Contingencies and commitments

The Company had no contingent liabilities or commitments as at 31 December 2016 (30 June 2016: nil).

7 Issued capital

(a) Share capital

	31 December 2016 Shares	30 June 2016 Shares	31 December 2016 \$	30 June 2016 \$
Ordinary shares	41,018,108	33,072,013	40,313,892	32,367,797

(b) Movements in ordinary share capital

Details	Notes	Number of shares	\$
Opening balance 24 September 2015		1	1
Shares issued under IPO	7(d)	33,067,012	33,067,012
Options exercised for \$1.00 per share	7(e)	5,000	5,000
Cost of issued capital, net of tax		-	(704,216)
Closing balance 30 June 2016		33,072,013	32,367,797

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7 Issued capital (continued)

(b) Movements in ordinary share capital (continued)

Details	Notes	Number of shares	\$
Opening balance 1 July 2016		33,072,013	32,367,797
Options exercised for \$1.00 per share	7(e)	7,946,095	7,946,095
Closing balance 31 December 2016		41,018,108	40,313,892

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Shares under IPO

The Company issued a replacement Prospectus on 14 October 2015 for the offer of up to 58,000,000 fully paid ordinary shares at an offer price of \$1.00 per share to raise up to \$58,000,000. Under the offer, there was also an entitlement to 1 option for every 2 ordinary shares subscribed for, which are exercisable at an exercise price of \$1.00 per share on or before 12 December 2016. On 1 December 2015, the Company issued 33,067,012 fully paid ordinary shares under this initial public offering at \$1.00 per share.

(e) Options

On 1 December 2015, as part of the initial public offering the Company issued 16,533,506 options to acquire ordinary shares in the Company at an exercise price of \$1.00 on or before 12 December 2016.

Since issue, a total of 7,951,095 options have been exercised and allotted for a total consideration of \$7,951,095. On 12 December 2016, 8,582,411 options expired.

8 Dividends

(a) Ordinary shares

No dividends were declared or proposed during the half-year ended 31 December 2016.

(b) Dividends not recognised at the end of the reporting period

Since half-year end the Directors have recommended the payment of an interim dividend of 1.0 cent per fully paid ordinary share, fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 4 April 2017 out of the profits reserve at 31 December 2016, but not recognised as a liability at half-year end, is

**Half-year
ended
31 December
2016
\$**

410,181

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9 Events occurring after the reporting period

The Board declared a maiden interim dividend of 1.0 cent fully franked per share.

Other than the dividend declared after period end, no other matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

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**8IP Emerging Companies Limited
Directors' Declaration
For the half-year ended 31 December 2016**

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 6 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standard AASB 134: *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date, 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.

This declaration is made in accordance with a resolution of the Board of Directors.

Jonathan Sweeney
Chairman

Sydney
28 February 2017

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF 8IP EMERGING COMPANIES LIMITED
ABN: 75 608 411 347

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of 8IP Emerging Companies Limited ("the company"), which comprises the statement of financial position as at 31 December 2016, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the Directors' Declaration of the company.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASPE 2410: "Review of a Financial Report Performed by the Independent Auditor of the Entity" in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Company's financial position as at 31 December 2016 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 8IP Emerging Companies Limited, ASPE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the 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.

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF 8IP EMERGING COMPANIES LIMITED
ABN 75 608 411 347

Independence

In conducting our review, we have 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 8IP Emerging Companies Limited is not 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 2016 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.



SCOTT WHIDDETT
Partner

28 February 2017



PITCHER PARTNERS
Sydney