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8IP Emerging Companies Limited

ABN 75 608 411 347

Appendix 4D

Half-year report

for the half-year ended 31 December 2017

Half-year report

This half-year report is for the reporting half-year from 1 July 2017 to 31 December 2017. The previous corresponding half-year was 1 July 2016 to 31 December 2016.

Results for announcement to the market

				31 December 2016 \$		31 December 2017 \$
Revenue from ordinary activities	Up	110.77%	from	3,053,400	to	6,435,623
Profit before tax for the half-year	Up	154.98%	from	2,168,726	to	5,529,879
Profit from ordinary activities after tax attributable to members	Up	150.39%	from	1,555,637	to	3,895,085

Dividends

	Dividend Rate	Total Amount \$	Record Date	Date of Payment	Percentage Franked
2017					
Ordinary shares - final	\$0.02	\$820,362	01/09/2017	25/09/2017	100%

Since the end of the financial period, the Directors of 8IP Emerging Companies Limited ("8EC" or "the Company") have declared fully franked dividends of 1.0 cent per share to be paid on 6 April 2018 for the period ended 31 December 2017. The record date for determining entitlement to the dividend will be 6 March 2018.

Net tangible assets

	31 December 2017 \$	31 December 2016 \$
Net tangible asset backing (per share) after tax	1.1201	1.0959
Net tangible asset backing (per share) before tax	1.1833	1.1403

Brief explanation of results

Revenue from ordinary activities of \$6.4m up 111% (\$3.1m) on the prior period.

Operating profit of \$5.5m before tax is up 155% on the prior comparative period of \$2.2m, with operating profit after tax of \$3.9m, up 150% on the prior comparative period of \$1.6m.

Net tangible assets per share of \$1.12 (after tax) is up from the reported 30 June 2017 NTA of \$1.05. 8EC's share price of \$0.97 at 31 December 2017 was at a discount to NTA.

Gross portfolio performance before taxes of +15.1% outperformed the performance benchmark of the RBA Cash Rate plus 2% per annum by +13.4%.

The Directors paid a final dividend of 2.0 cents fully franked per share which relates to the financial reporting period ending 30 June 2017.

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 2017 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 2017**

8IP Emerging Companies Limited ABN 75 608 411 347
Interim Report - for the half-year ended 31 December 2017

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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 2017 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

Link Fund Solutions Pty Limited
Level 12, 680 George Street
Sydney NSW 2000
Telephone: (02) 8280 7100

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 ("8EC" or "the Company") for the half-year ended 31 December 2017. The prior comparative period is for the period from 1 July 2016 to 31 December 2016.

Directors

The following persons held office as Directors of 8EC 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 2017 or is likely to take place in the future.

Review of operations

The operating profit before tax was \$5,529,879 for the half-year ended 31 December 2017 (2016: \$2,168,726). The net result after tax was a profit of \$3,895,085 (2016: \$1,555,637).

The net tangible asset backing before tax as at 31 December 2017 was \$1.1833 (2016: \$1.1403).

The Directors declared a 1.0 cent fully franked interim dividend for the half year ended 31 December 2017 (2016: 1.0).

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 2017.

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 unless otherwise stated.

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 Directors.



Jonathan Sweeney
Chairman

Sydney
21 February 2018

Chairman's Letter

The half year to 31 December 2017 saw the Company deliver a strong underlying investment performance, with a gross portfolio return of +15.1%. This brings the gross portfolio return since inception in December 2015 to +40.3%.

The Company reported a net profit after tax of \$3.895 million compared to \$1.556 million for the prior corresponding period.

The after-tax net asset per share of 8EC was up +7.2% from \$1.0454 as at 30 June 2017 to \$1.1201 as at 31 December 2017. 8EC's share price of \$0.97 as at 31 December 2017 was at a discount to NTA. The share price reached a high of \$1.02 during November 2017 and recently has been trading around the \$1.00 mark. As previously mentioned in the Company's announcements, the Directors remain focused on managing any discount to NTA and the Directors continue to consider measures to close the discount, recognising that a discount to NTA is a common occurrence among many smaller listed investment companies at present.

Also as mentioned previously, such a discount does provide an opportunity for investors to purchase a portfolio of smaller capitalisation stocks at a discount to their market value. I remain of the view, as do my fellow Directors, that smaller stocks offer the potential for attractive returns over the long term and a specialist listed investment company such as 8EC offers an opportunity for investors to diversify and complement their portfolios in the largely concentrated Australian equities market. Your Investment Manager, 8IP, is well placed to capitalise on this potential given the size and experience of their investment team.

Kerry Series, Director and CIO at 8IP, provides a more detailed overview of the Company's investment performance in the Chief Investment Officer's Report.

The Board would like to take this opportunity to thank shareholders for their continued support and we look forward to working closely with 8IP to take advantage of any opportunities for shareholders as they arise.



Jonathan Sweeney
Chairman

Chief Investment Officer's Report

CIO Report for Interim Results

Gross performance for the 6 months to 31 December 2017 was +15.1%.

The market environment for small companies improved significantly in the second half of the 2017 calendar year. In particular, energy and resources investments performed well and the Company increased exposure to the space. Of our larger positions, Red River Resources was the standout. The share price increased by 33% (from 22.5c to 30c) as management delivered a restart of zinc mining operations at the Thalanga Project in Central Queensland. This was achieved on time and budget, for delivery of product into a global market tight on supply. Smaller positions of note included two highly sought niche IPO's. Calidus Resources, a gold mining company with operations in WA, listed at 2c and closed the period at 3.8c. State Gas, a Central Eastern Queensland based conventional gas business, listed at 20c and closed the period at 36c.

The increased exposure to resources was funded by reducing the position in financials to zero. We exited Freedom Insurance Group Limited ("Freedom") in October. In the CIO Report for the period to 31 December 2016, I noted that Freedom looked set for a big year in 2017 having listed at 35c in December 2016. The shares peaked at over 90c in July 2017 but pulled back during the third quarter. We sold our position at an average price just above 70c, resulting in a strong return on our pre-IPO entry at around 27c. The decision to exit was driven by concern that the launch of their new products may incur larger expenses with a slower ramp-up than expected given their greater complexity. Subsequently, the company warned their earnings would be lower than previously expected and the shares closed the year at 47c. Our exit shows the benefit of active portfolio management.

Total exposure to pre-IPO positions was 9.75% at the end of the period. This includes a pre-IPO position in Bounty Mining Limited which is expected to list in the first quarter of 2018. We expect our remaining pre-IPO positions to contribute to returns in the second half of financial year 2018.

Since the end of the reporting period, volatility has increased in markets and the environment has become more challenging for small company investing. The factors driving this volatility, namely emerging inflationary pressures in the US and rising interest rates, are significant given the increased global debt burden since the GFC and high asset prices. We expect this greater volatility to continue and may use our ability to hedge market risk to manage the impact of this change in environment. Our strategy remains to find companies that have growth potential that is not fully recognised by other investors to generate returns while managing market risk with index derivatives.

**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 2017, 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

21 February 2018

8IP Emerging Companies Limited
Statement of Comprehensive Income
For the half-year ended 31 December 2017

	For the half-year ended 31 December 2017 \$	For the half-year ended 31 December 2016 \$
Investment income from ordinary activities		
Net realised gains on financial instruments designated at fair value through profit or loss	2,411,700	1,981,592
Net realised gains on financial instruments held for trading	-	372,984
Net unrealised gains on investments	3,919,549	51,082
Dividend income	84,916	125,096
Interest income	19,458	297,646
Other income	-	225,000
	6,435,623	3,053,400
Expenses		
Management fees	(294,096)	(264,421)
Performance fees	(377,778)	(389,424)
Brokerage expense	(19,321)	(14,721)
Accounting fees	(37,663)	(34,993)
Company secretarial fees	(16,500)	(16,500)
Share registry fees	(13,352)	(10,895)
Custody fees	(15,480)	(15,713)
Tax fees	(9,625)	(4,950)
Directors' fees	(47,000)	(47,000)
ASX fees	(21,569)	(20,603)
Audit fees	(27,814)	(29,518)
Sales and marketing expense	(6,600)	(16,280)
Other expenses	(18,946)	(19,656)
	(905,744)	(884,674)
Profit before income tax	5,529,879	2,168,726
Income tax expense	(1,634,794)	(613,089)
Profit for the half-year	3,895,085	1,555,637
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year	3,895,085	1,555,637
	Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:		
Basic earnings per share	9.50	4.59
Diluted earnings per share	9.50	4.59

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

8IP Emerging Companies Limited
Statement of Financial Position
As at 31 December 2017

		At	
		31 December	30 June
	Notes	2017	2017
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents		660,975	7,057,013
Trade and other receivables		49,977	552,628
Financial assets at fair value through profit or loss	3	48,197,552	36,916,552
Current tax assets		-	65,576
Other current assets		44,623	10,024
Total current assets		<u>48,953,127</u>	<u>44,601,793</u>
Non-current assets			
Deferred tax asset		1,455,530	1,517,002
Total non-current assets		<u>1,455,530</u>	<u>1,517,002</u>
Total assets		<u>50,408,657</u>	<u>46,118,795</u>
LIABILITIES			
Current liabilities			
Trade and other payables		526,474	819,081
Current tax liabilities		338,699	-
Total current liabilities		<u>865,173</u>	<u>819,081</u>
Non-current liabilities			
Deferred tax liabilities		3,557,879	2,388,832
Total non-current liabilities		<u>3,557,879</u>	<u>2,388,832</u>
Total liabilities		<u>4,423,052</u>	<u>3,207,913</u>
Net assets		<u>45,985,605</u>	<u>42,910,882</u>
EQUITY			
Issued capital	7	40,309,595	40,309,595
Profits reserve		9,008,570	5,933,847
Accumulated losses		(3,332,560)	(3,332,560)
Total equity		<u>45,985,605</u>	<u>42,910,882</u>

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

8IP Emerging Companies Limited
Statement of Changes in Equity
For the half-year ended 31 December 2017

Notes	Issued capital \$	Profits reserve \$	Retained earnings/ (Accumulated losses) \$	Total \$
Balance at 1 July 2016	32,367,797	3,114,683	-	35,482,480
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	7,946,095			7,946,095
Transfer to profits reserve		3,229,345	(3,229,345)	
	7,946,095	3,229,345	(3,229,345)	7,946,095
Balance at 31 December 2016	40,313,892	6,344,028	(1,673,708)	44,984,212
Balance at 1 July 2017	40,309,595	5,933,847	(3,332,560)	42,910,882
Profit for the half-year	-	-	3,895,085	3,895,085
Total comprehensive income for the half-year	-	-	3,895,085	3,895,085
Transactions with owners in their capacity as owners:				
Transfer to profits reserve		3,895,085	(3,895,085)	
Dividends provided for or paid		(820,362)	-	(820,362)
		- 3,074,723	(3,895,085)	(820,362)
Balance at 31 December 2017	40,309,595	9,008,570	(3,332,560)	45,985,605

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

8IP Emerging Companies Limited
Statement of Cash Flows
For the half-year ended 31 December 2017

	Half-year ended	
	31 December 2017	31 December 2016
	\$	\$
Cash flows from operating activities		
Proceeds from sale of financial assets held at fair value through profit or loss	20,722,211	22,584,182
Purchase of financial assets held at fair value through profit or loss	(25,830,767)	(23,010,700)
Dividends received	84,916	125,096
Interest received	22,862	371,735
Underwriting income received	-	5,000
Other income received	-	220,000
Brokerage expenses paid	(21,197)	(14,839)
Performance fees paid	-	(686,590)
Investment management fees paid	(297,718)	(253,528)
Payments for other expenses	(255,983)	(212,967)
Net cash outflow from operating activities	(5,575,676)	(872,611)
Cash flows from financing activities		
Dividends paid to Company's shareholders	(820,362)	-
Shares issued on options exercised	-	7,946,095
Net cash (outflow)/inflow from financing activities	(820,362)	7,946,095
Net (decrease)/increase in cash and cash equivalents	(6,396,038)	7,073,484
Cash and cash equivalents at the beginning of the year	7,057,013	740,024
Cash and cash equivalents at the end of the half-year	660,975	7,813,508

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 ("8EC" or the "Company") is a listed public company domiciled in Australia. The address of 8EC'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 condensed interim financial statements were authorised for issue by the Directors on 21 February 2018.

2 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 8EC.

(a) Basis of preparation

These condensed interim financial statements for the half-year reporting period ended 31 December 2017 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 annual financial statements. Accordingly, these interim financial statements are to be read in conjunction with any public announcements made by 8EC 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 unless otherwise stated.

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 2017 and 30 June 2017 on a recurring basis.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 31 December 2017				
Financial assets				
Financial assets at FVTPL				
Listed equity securities	43,389,202	-	-	43,389,202
Unlisted equity securities	-	4,461,425	-	4,461,425
Interest bearing securities	-	250,000	-	250,000
Derivatives	96,925	-	-	96,925
Total financial assets	43,486,127	4,711,425	-	48,197,552
At 30 June 2017				
Financial assets				
Financial assets at FVTPL				
Listed equity securities	34,594,999	760,975	-	35,355,974
Unlisted equity securities	-	500,000	-	500,000
Interest bearing securities	-	1,000,000	-	1,000,000
Derivatives	60,578	-	-	60,578
Total financial assets	34,655,577	2,260,975	-	36,916,552

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 and delisted 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 Directors consider to represent fair value.

3 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

There were transfers between levels 1 and 2 for recurring fair value measurements during the half-year amounting to \$2,260,975, relating to the listing of the unlisted equity securities and conversion of convertible notes to listed equity securities at half-year end. There were no transfers in and out of level 3.

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 2017 is 29% (2016: 28%). 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 2017 (30 June 2017: nil).

7 Issued capital

(a) Share capital

	31 December 2017	30 June 2017	31 December 2017	30 June 2017
	Shares	Shares	\$	\$
Ordinary shares	41,018,108	41,018,108	40,309,595	40,309,595

(b) Movements in ordinary share capital

Details	Number of shares	\$
Opening balance 1 July 2016	33,072,013	32,367,797
Options exercised for \$1.00 per share	7,946,095	7,946,095
Cost of issued capital, net of tax	-	(4,297)
Closing balance 30 June 2017	41,018,108	40,309,595

7 Issued capital (continued)

(b) Movements in ordinary share capital (continued)

Details	Number of shares	\$
Opening balance 1 July 2017	41,018,108	40,309,595
Closing balance 31 December 2017	41,018,108	40,309,595

(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.

8 Dividends

(a) Dividend paid or payable at the end of the reporting period

	Dividend Rate	Total Amount	Date of Payment	% Franked
Ordinary shares - final	\$0.02	\$820,362	25/09/2017	100

No dividends were declared or proposed during the half-year ended 31 December 2017.

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

	Half-year ended 31 December 2017 \$	31 December 2016 \$
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 6 April 2018 out of the profits reserve at 31 December 2017, but not recognised as a liability at half-year end, is	410,181	410,181

9 Events occurring after the reporting period

No 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.

**8IP Emerging Companies Limited
Directors' Declaration
For the half-year ended 31 December 2017**

In the Directors' opinion:

- (a) the interim financial statements and notes set out on pages 6 to 13 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 2017 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 Directors.



Jonathan Sweeney
Chairman

Sydney
21 February 2018

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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 2017, 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 controls as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of 8IP Emerging Companies Limited, ASRE 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.

**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 2017 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



SCOTT WHIDDETT
Partner

21 February 2017



PITCHER PARTNERS
Sydney

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