

For personal use only

# **8IP Emerging Companies Limited**

ABN 75 608 411 347

## **Appendix 4D**

### **Half-year report**

**for the half-year ended 31 December 2018**

## Half-year report

This half-year ended report is for the reporting period from 1 July 2018 to 31 December 2018. The previous corresponding half-year ended period was from 1 July 2017 to 31 December 2017.

### Results for announcement to the market

				31 December 2017 \$		31 December 2018 \$
Investment income/(loss) from ordinary activities	Down	-201%	from	6,435,623	to	(6,525,621)
Operating profit/(loss) before tax for the half-year	Down	-228%	from	5,529,879	to	(7,056,473)
Profit/(loss) from ordinary activities after tax attributable to members	Down	-228%	from	3,895,085	to	(4,969,953)

### Dividends

	Dividend Rate	Total Amount \$	Record Date	Date of Payment	Percentage Franked
Ordinary shares - 2018 final dividend	\$0.03	\$1,230,543	10/10/2018	23/10/2018	0%
Ordinary shares - 2019 interim dividend	\$0.015	\$615,272	27/02/2019	15/03/2019	0%

### Net tangible assets

	31 December 2018 \$	31 December 2017 \$
Net tangible asset backing (per share) after tax	<b>0.8892</b>	1.1201
Net tangible asset backing (per share) before tax	<b>0.8706</b>	1.1833

### Brief explanation of results

For the half year to 31 December 2018 investment loss from ordinary activities of \$6.5m (2017: investment income of \$6.4m).

Operating loss of \$7.1m before tax (2017: operating profit of \$5.5m), with loss after tax of \$5m (2017: profit of \$3.9m).

Net tangible assets per share ("NTA") after tax of \$0.89 is down from the reported 30 June 2018 NTA of \$1.04. 8EC's share price of \$0.75 at 31 December 2018 was at a discount to NTA.

The Directors paid a final dividend of 3.0 cents unfranked per share which relates to the financial reporting period ending 30 June 2018.

The Directors declared an interim dividend of 1.5 cents per share unfranked for the half year ended 31 December 2018.

For personal use only

**Further information**

This report is based on the Interim 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 2018 Annual Financial Report.

For personal use only

For personal use only

# **8IP Emerging Companies Limited**

ABN 75 608 411 347

## **Interim Report for the half-year ended 31 December 2018**

**8IP Emerging Companies Limited** ABN 75 608 411 347  
**Interim Report - for the half-year ended 31 December 2018**

**Contents**

	Page
Corporate Directory	1
Directors' Report	2
Chairman's Letter	3
Chief Investment Officer's Report	4
Auditor's Independence Declaration	5
Interim Financial Statements	
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10
Directors' Declaration	14
Independent Auditor's Review Report to the Shareholders	15

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 2018 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*.

For personal use only

## Corporate Directory

<b>Directors</b>	Jonathan Sweeney (Independent Chairman) Tony McDonald (Independent Director) Robin Burns (Independent Director) Kerry Series (Non-Independent Director) Geoff Wilson (Non-Independent Director)
<b>Secretary</b>	Tharun Kuppanda (resigned 6 August 2018) Laura Newell (appointed 6 August 2018)
<b>Investment Manager</b>	Eight Investment Partners Pty Limited Level 11, 131 Macquarie Street Sydney NSW 2000 Telephone: (02) 8274 2088
<b>Registered office</b>	c/o Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: (02) 9290 9600
<b>Custodian and Administrator</b>	Link Fund Solutions Pty Limited Level 12, 680 George Street Sydney NSW 2000 Telephone: (02) 8280 7100
<b>Share registrar</b>	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: 1300 737 760 Facsimile: (02) 9279 0664 Email: <a href="mailto:enquiries@boardroomlimited.com.au">enquiries@boardroomlimited.com.au</a>
<b>Auditor</b>	For enquiries relating to shareholdings, dividends and related matters, please contact the share registrar.  Pitcher Partners Level 22, MLC Centre 19 Martin Place Sydney NSW 2000 Telephone: (02) 9221 2099 Facsimile: (02) 9223 1762
<b>Stock exchange</b>	Australian Securities Exchange (ASX) The home exchange is Sydney ASX code: 8EC Ordinary Shares
<b>Website</b>	<a href="http://www.8EC.com.au">www.8EC.com.au</a>

## 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 2018. The prior comparative period is for the period from 1 July 2017 to 31 December 2017.

### Directors

The following persons held office as Directors during the half-year or since the end of the half-year and up to the date of this report:

Jonathan Sweeney (Independent Chairman)  
Tony McDonald (Independent Director)  
Robin Burns (Independent Director)  
Kerry Series (Non-Independent Director)  
Geoff Wilson (Non-Independent Director)

### Principal activities

The Company's investment strategy is to invest in a concentrated portfolio of ASX-listed companies which do not comprise the S&P/ASX 100 Index.

It was resolved at the Annual General Meeting on 21 November 2018 to amend the investment mandate, which previously required the Company to invest in ASX-listed companies with a market capitalisation of less than \$500 million. It was resolved at the Annual General Meeting to enable the Company to invest predominately in securities of companies that are listed on the ASX, but which do not comprise the S&P/ASX 100 index and to increase the maximum allocation to cash or cash investments from 20% to 100%.

### Review of operations

The operating loss before tax was \$7,056,473 for the half-year ended 31 December 2018 (2017: operating profit of \$5,529,879). The net result after tax was a loss of \$4,969,953 (2017: profit of \$3,895,085).

The net tangible asset backing before tax as at 31 December 2018 was \$0.8706 (2017: \$1.1833).

The Directors declared a 1.5 cent unfranked interim dividend for the half year ended 31 December 2018 (2017: 1.0 cent, interim fully franked).

### 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 2018.

### 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  
20 February 2019

## Chairman's Letter

The half year to 31 December 2018 saw the Company move into a net loss making position of \$5 million after tax. This result was driven by falls in the net asset value of the investment portfolio over the period.

The Board has agreed to declare an interim unfranked dividend of 1.5 cents per share. This is a record interim dividend and brings the last two dividends to 4.5 cents a share, representing a yield of 6.0% at the 31 December 2018 share price.

The after tax net tangible assets per share as at 31 December 2018 was 88.92 cents. This is down 20.6% from the 31 December 2017 level and 14.5% down from the 30 June 2018 level.

Kerry Series, Director and CIO at 8IP provides an overview of the Company's investment performance in the Chief Investment Officer's report.

The Company's share price continues to trade at a discount to its after tax net tangible assets per share. In light of this the Board has implemented a strategic review to consider the various options to reduce the discount to net tangible assets and to improve share liquidity. The non-executive Directors have appointed an adviser to assist them in this review.

The Board will keep shareholders apprised of the results of the review and any actions arising from the review.

The Board appreciates the support of our shareholders and continues to look at ways to improve value for all shareholders.



Jonathan Sweeney  
Chairman

For personal use only

## Chief Investment Officer's Report

The post-tax NTA performance, including dividends reinvested was -11.7% (-14.5% before dividends reinvested) for the 6 months to 31 December 2018. This compares with the return of the benchmark of the RBA cash rate plus 2% per annum of 1.8% over the six month period.

The market environment for emerging companies deteriorated significantly over the six months to 31 December with the S&P/ASX Emerging Companies Index falling every month resulting in a return of -18.5% for the Index. The sell-off accelerated in the final quarter as investors became more concerned regarding the impact on global growth of tighter US monetary policy. Unsurprisingly, the materials sector was the hardest hit, while the healthcare sector was relatively resilient.

The ability to use index futures to hedge market risk contributed positively to the portfolio, but this was more than offset by the exposure to materials stocks. The major disappointments were Gascoyne Resources and Bounty Mining which fell sharply as a result of poor execution in the development of their projects. While this negatively impacted the portfolio's returns for the six months, both stocks were sold at a profit on the original investment.

On the positive side, Zenitas was taken over during the period at a good premium to the entry price and several of our larger holdings, such as Over The Wire Holdings, Cooper Energy, and Citadel Group, held up well despite the market environment.

At the AGM in November 2018, shareholders approved changes to the investment mandate allowing the portfolio to invest predominantly in securities of companies that are listed on the ASX, but which do not comprise the S&P/ASX100 index, rather than be limited to stocks with market capitalisations below \$500m. Shareholders also approved the ability to hold cash up to 100%. As a result, the cash weighting was increased and the Manager has started to add larger small company stocks to the portfolio as opportunities have arisen. This ability to invest in such stocks means that shareholders are able to benefit from the Manager's existing focus on the ASX small companies universe.

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

In relation to the independent auditor's review for the half-year ended 31 December 2018, 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

20 February 2019

For personal use only

**8IP Emerging Companies Limited**  
**Statement of Comprehensive Income**  
**For the half-year ended 31 December 2018**

	<b>For the half-year ended 31 December 2018 \$</b>	<b>For the half-year ended 31 December 2017 \$</b>
<b>Investment income from ordinary activities</b>		
Net realised gains on financial instruments designated at fair value through profit or loss	<b>371,708</b>	2,411,700
Net realised gains on financial instruments held for trading	<b>801,149</b>	-
Net unrealised (loss)/gains on investments	<b>(8,043,795)</b>	3,919,549
Net unrealised gains on financial instruments held for trading	<b>179,800</b>	-
Dividend income	<b>137,474</b>	84,916
Interest income	<b>28,043</b>	19,458
	<b>(6,525,621)</b>	6,435,623
<b>Expenses</b>		
Management fees	<b>(256,550)</b>	(294,096)
Performance fees	-	(377,778)
Brokerage expense	<b>(19,183)</b>	(19,321)
Accounting fees	<b>(39,086)</b>	(37,663)
Company secretarial fees	<b>(16,500)</b>	(16,500)
Share registry fees	<b>(17,882)</b>	(13,352)
Custody fees	<b>(11,898)</b>	(15,480)
Tax fees	<b>(5,830)</b>	(9,625)
Legal fees	<b>(6,088)</b>	-
Directors' fees	<b>(83,250)</b>	(47,000)
ASX fees	<b>(21,318)</b>	(21,569)
Audit fees	<b>(28,943)</b>	(27,814)
Sales and marketing expense	-	(6,600)
Other expenses	<b>(24,324)</b>	(18,946)
	<b>(530,852)</b>	(905,744)
<b>(Loss)/profit before income tax</b>	<b>(7,056,473)</b>	5,529,879
Income tax benefit/(expense)	<b>2,086,520</b>	(1,634,794)
<b>(Loss)/profit for the half-year</b>	<b>(4,969,953)</b>	3,895,085
<b>Other comprehensive income for the half-year, net of tax</b>	-	-
<b>Total comprehensive (loss)/income for the half-year</b>	<b>(4,969,953)</b>	3,895,085
	<b>Cents</b>	<b>Cents</b>
<b>(Loss)/earnings per share for profit attributable to the ordinary equity holders of the Company:</b>		
Basic (loss)/earnings per share	(12.12)	9.50
Diluted (loss)/earnings per share	(12.12)	9.50

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

For personal use only

**8IP Emerging Companies Limited**  
**Statement of Financial Position**  
**As at 31 December 2018**

		At	
	Notes	31 December 2018	30 June 2018
		\$	\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		15,231,475	6,965,217
Trade and other receivables		725,321	410,876
Financial assets at fair value through profit or loss	3	19,923,852	36,276,233
Current tax assets		-	514,494
Other current assets		77,800	12,560
<b>Total current assets</b>		<b>35,958,448</b>	<b>44,179,380</b>
<b>Non-current assets</b>			
Deferred tax asset		1,374,070	1,626,035
<b>Total non-current assets</b>		<b>1,374,070</b>	<b>1,626,035</b>
<b>Total assets</b>		<b>37,332,518</b>	<b>45,805,415</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		290,260	109,951
Derivative financial instruments		-	179,800
Current tax liabilities		128,523	-
<b>Total current liabilities</b>		<b>418,783</b>	<b>289,751</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		422,766	2,824,198
<b>Total non-current liabilities</b>		<b>422,766</b>	<b>2,824,198</b>
<b>Total liabilities</b>		<b>841,549</b>	<b>3,113,949</b>
<b>Net assets</b>		<b>36,490,969</b>	<b>42,691,466</b>
<b>EQUITY</b>			
Issued capital	7	40,309,595	40,309,595
Profits reserve		9,241,181	10,259,722
Accumulated losses		(13,059,807)	(7,877,851)
<b>Total equity</b>		<b>36,490,969</b>	<b>42,691,466</b>

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

For personal use only

**8IP Emerging Companies Limited**  
**Statement of Changes in Equity**  
**For the half-year ended 31 December 2018**

Notes	Issued capital \$	Profits reserve \$	Retained earnings/ (Accumulated losses) \$	Total \$
<b>Balance at 1 July 2017</b>	40,309,595	5,933,847	(3,332,560)	42,910,882
Profit for the half-year	-	-	3,895,085	3,895,085
<b>Total comprehensive income for the half-year</b>	-	-	<b>3,895,085</b>	<b>3,895,085</b>
<b>Transactions with owners in their capacity as owners:</b>				
Dividends provided for or paid	-	(820,362)	-	(820,362)
Transfer to profits reserve	-	3,895,085	(3,895,085)	-
	-	3,074,723	(3,895,085)	(820,362)
<b>Balance at 31 December 2017</b>	<b>40,309,595</b>	<b>9,008,570</b>	<b>(3,332,560)</b>	<b>45,985,605</b>
<b>Balance at 1 July 2018</b>	40,309,595	10,259,722	(7,877,851)	42,691,466
Loss for the half-year	-	-	(4,969,953)	(4,969,953)
<b>Total comprehensive income for the half-year</b>	-	-	<b>(4,969,953)</b>	<b>(4,969,953)</b>
<b>Transactions with owners in their capacity as owners:</b>				
Transfer to profits reserve	-	212,003	(212,003)	-
Dividends provided for or paid	8	(1,230,544)	-	(1,230,544)
	-	(1,018,541)	(212,003)	(1,230,544)
<b>Balance at 31 December 2018</b>	<b>40,309,595</b>	<b>9,241,181</b>	<b>(13,059,807)</b>	<b>36,490,969</b>

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 2018**

	<b>Half-year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Proceeds from sale of financial assets held at fair value through profit or loss	<b>21,346,729</b>	20,722,211
Purchase of financial assets held at fair value through profit or loss	<b>(12,050,319)</b>	(25,830,767)
Dividends received	<b>137,474</b>	84,916
Interest received	<b>21,529</b>	22,862
Other income received	<b>4,761</b>	-
Brokerage expenses paid	<b>(19,978)</b>	(21,197)
Income taxes refunded	<b>580,070</b>	-
Investment management fees paid	<b>(262,460)</b>	(297,718)
Payments for other expenses	<b>(299,387)</b>	(255,983)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>9,458,419</b>	(5,575,676)
<b>Cash flows from financing activities</b>		
Dividends paid to Company's shareholders	<b>(1,192,161)</b>	(820,362)
<b>Net cash outflow from financing activities</b>	<b>(1,192,161)</b>	(820,362)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>8,266,258</b>	(6,396,038)
Cash and cash equivalents at the beginning of the year	<b>6,965,217</b>	7,057,013
<b>Cash and cash equivalents at the end of the half-year</b>	<b>15,231,475</b>	660,975

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

For personal use only

## **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 ASX-listed companies which do not comprise the S&P/ASX 100 Index.

The condensed interim financial statements were authorised for issue by the Directors on 20 February 2019.

## **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 2018 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 the annual report for the year ended 30 June 2018 and 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 and corresponding interim reporting period.

#### *(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) Instruments 2016/191*, the amounts in the Directors' Report and in the interim financial statements have been rounded to the nearest dollar, unless otherwise specified.

## **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 2018 and 30 June 2018 on a recurring basis.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>At 31 December 2018</b>				
<b>Financial assets</b>				
Listed equity securities	18,411,601	-	-	18,411,601
Unlisted equity securities	-	1,000,000	-	1,000,000
Derivatives	72,251	-	-	72,251
Unlisted convertible note	-	440,000	-	440,000
<b>Total financial assets</b>	<b>18,483,852</b>	<b>1,440,000</b>	<b>-</b>	<b>19,923,852</b>
<b>Financial liabilities</b>				
Derivatives	-	-	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>At 30 June 2018</b>				
<b>Financial assets</b>				
Listed equity securities	34,203,542	-	-	34,203,542
Unlisted equity securities	-	1,999,998	-	1,999,998
Derivatives	72,693	-	-	72,693
<b>Total financial assets</b>	<b>34,276,235</b>	<b>1,999,998</b>	<b>-</b>	<b>36,276,233</b>
<b>Financial liabilities</b>				
Derivatives	179,800	-	-	179,800
<b>Total financial liabilities</b>	<b>179,800</b>	<b>-</b>	<b>-</b>	<b>179,800</b>

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.

### 3 Fair value measurements (continued)

#### (a) Fair value hierarchy (continued)

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.

There were transfers between levels 1 and 2 for recurring fair value measurements during the half-year amounting to \$1,000,000 (2017: \$2,260,975), relating to the listing of a prior year unlisted equity security. 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 effective tax rate used for the period to 31 December 2018 is 29.6% (2017: 29%).

### 6 Contingencies and commitments

The Company had no contingent liabilities or commitments as at 31 December 2018 (30 June 2018: nil).

### 7 Issued capital

#### (a) Share capital

	<b>31 December 2018</b>	30 June 2018	<b>31 December 2018</b>	30 June 2018
	<b>Shares</b>	Shares	<b>\$</b>	\$
Ordinary shares	<b>41,018,108</b>	41,018,108	<b>40,309,595</b>	40,309,595

For personal use only

## 7 Issued capital (continued)

### (b) Movements in ordinary share capital

Details	Number of shares	\$
Opening balance 1 July 2017	41,018,108	40,309,595
<b>Closing balance 30 June 2018</b>	<b>41,018,108</b>	<b>40,309,595</b>
Opening balance 1 July 2018	41,018,108	40,309,595
<b>Closing balance 31 December 2018</b>	<b>41,018,108</b>	<b>40,309,595</b>

### (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 during the reporting period

	Dividend Rate	Total Amount	Date of Payment	% Franked
Ordinary shares - 2018 final dividend	\$0.03	\$1,230,543	23/10/2018	0%

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

	Half-year ended 31 December 2018 \$	31 December 2017 \$
Since half-year end the Directors have recommended the payment of an interim dividend of 1.5 cents per fully paid ordinary share, unfranked. The aggregate amount of the proposed dividend expected to be paid on 15 March 2019 out of the profits reserve at 31 December 2018, but not recognised as a liability at half-year end, is	<b>615,272</b>	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 2018**

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 2018 and of its performance for the half-year ended on that date.
- (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  
20 February 2019

**Independent Auditor's Review Report  
To the Members of 8IP Emerging Companies Limited  
ABN 75 608 411 347**

**Report on the Interim Financial Report**

We have reviewed the accompanying interim financial report of 8IP Emerging Companies Limited ("the company"), which comprises the statement of financial position as at 31 December 2018, 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 Interim Financial Report**

The directors of the company are responsible for the preparation of the interim 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 interim 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 interim 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 interim 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 2018 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 interim 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.

For personal use only

**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 interim 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 2018 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

20 February 2019



PITCHER PARTNERS  
Sydney

For personal use only