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8IP Emerging Companies Limited

ABN 75 608 411 347

Appendix 4E

For the year ended 30 June 2020

Preliminary Final Report

This preliminary final report is for the reporting period from 1 July 2019 to 30 June 2020. The previous corresponding year ended period was from 1 July 2018 to 30 June 2019.

Results for announcement to the market

				30 June 2020		30 June 2019
				\$		\$
Investment income/(loss) from ordinary activities	Down	105%	to	256,717	from	(5,434,022)
Loss before tax for the year	Down	92%	to	(552,392)	from	(6,554,110)
Loss from ordinary activities after tax attributable to members	Down	89%	to	(620,671)	from	(5,672,099)

Dividends

	Dividend Rate	Total Amount	Record Date	Date of Payment	% Franked
2019					
Ordinary shares - interim dividend	\$0.015	\$615,272	27/02/2019	15/03/2019	0%

There were no dividends paid during the year ended 30 June 2020.

At a General Meeting on 1 August 2019, Shareholders resolved to approve the sale of the Company's assets and the distribution of capital to Shareholders. An initial distribution of \$0.52 per share was paid to Shareholders on 21 August 2019 and a second distribution of \$0.22 per share was paid to Shareholders on 3 October 2019. The Shareholders received a third distribution of capital of \$0.05 per share on 28 April 2020.

Net tangible assets

	30 June 2020	30 June 2019
	\$	\$
Net tangible asset backing (per share) before tax	0.0540	0.8565
Net tangible asset backing (per share) after tax	0.0523	0.8572

Brief explanation of results

Investment income/(loss) from ordinary activities of \$0.3million is down by 105% (2019: \$5.4 million loss).

Operating loss of \$0.6million before tax is down by 92% (2019: \$6.5 million loss), with operating loss after tax of \$0.6million down by 89% (2019: \$5.6 million loss).

Net tangible assets per share ("NTA") after tax is \$0.05 as at 30 June 2020 after capital return of \$0.52 per share on 21 August 2019, \$0.22 per share on 3 October 2019 and \$0.05 per share on 28 April 2020 (30 June 2019: \$0.86). 8EC's latest available share price of \$0.08 was at a discount to NTA.

Other information required by Listing Rule 4.3A

The Company has the ability to hedge market risk and apply hedging strategy.

Audit

This report is based on the Annual Report which has been audited. The audit report is included with the Company's Annual Report which accompanies this Appendix 4E. All the documents comprise the information required by Listing Rule 4.3A.

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8IP Emerging Companies Limited

ABN 75 608 411 347

Annual Report

For the year ended 30 June 2020

**8IP Emerging Companies Limited
Corporate directory**

Directors	Jonathan Sweeney (Independent Chairman) Tony McDonald (Independent Director) Robin Burns (Independent Director) Kerry Series (Non-Independent Director) Geoff Wilson (Non-Independent Director) David Prescott (Independent Director) (appointed 16 March 2020)
Secretary	Laura Newell
Investment Manager	Eight Investment Partners Pty Limited Level 19, 1 Eagle Street Brisbane QLD 4000 Telephone: (07) 3360 0820
Registered office	c/o Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: (02) 9290 9600
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.
Auditors	Pitcher Partners Level 16, Darling Park Tower 2, 201 Sussex Street 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

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8IP Emerging Companies Limited ABN 75 608 411 347
Annual Report - For the year ended 30 June 2020

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Chairman's Letter

Dear Fellow Shareholders,

The Company has made significant progress in distributing the proceeds from the Sale and Distribution Proposal that was approved by shareholders on 1 August 2019. The Company has distributed 81 cents per share under the Proposal. The latest distribution of 2 cents per share occurred after the financial year end and was paid to shareholders on 11 August 2020.

The Company's investment portfolio is now comprised of cash and unlisted shares in Fremantle Octopus Group as the remaining Novonix shares were sold in July.

Shareholders will recall that in the absence of a superior proposal, once the Sale and Distribution Proposal had been substantially implemented, the Company planned to hold a meeting of shareholders to approve the appointment of a liquidator and winding-up of the Company. On 16 March 2020, the Company announced that it had entered into an agreement with Lanyon Asset Management Pty Ltd (Lanyon) in relation to the future of 8EC. Further details of the Lanyon Proposal can be found in the Company's announcement to the ASX dated 16 March 2020.

The Board determined that the agreement with Lanyon is superior to completing the existing Sale and Distribution Proposal which was planned to conclude with the wind-up of the Company.

David Prescott, Managing Director of Lanyon, has joined the Board and we are in the process of finalising a Notice of Meeting with the ASX for shareholders to consider the Lanyon Proposal. As soon as the Notice of Meeting has been approved by the ASX and the 8EC Board it will be sent to shareholders.

On behalf of the Board, thank you once again for your ongoing support.

Yours sincerely,



Jonathan Sweeney
Chairman

Sydney
26 August 2020

Company Profile

At a General Meeting on 1 August 2019, Shareholders resolved to approve the sale of the Company's assets and the distribution of capital to Shareholders. Subsequently, the Board advised the Manager that they were no longer bound by the Investment Guidelines in the Investment Management Agreement and instructed the Manager to execute the sale of securities at fair prices. The Company's investment portfolio is now comprised of cash and unlisted shares in Fremantle Octopus Group as the remaining Novonix shares were sold in July.

Shareholders will recall that in the absence of a superior proposal, once the Sale and Distribution Proposal had been substantially implemented the Company planned to hold a meeting of shareholders to approve the appointment of a liquidator and winding-up of the Company. On 16 March 2020, the Company announced that it had entered into an agreement with Lanyon Asset Management Pty Ltd (Lanyon) in relation to the future of 8EC. Further details of the Lanyon Proposal can be found in the Company's announcement to the ASX dated 16 March 2020. The Board determined that the agreement with Lanyon is superior to completing the existing Sale and Distribution Proposal which was planned to conclude with the wind-up of the Company. The Company is in the process of finalising a notice of meeting to send to shareholders to consider the Lanyon proposal.

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8IP Emerging Companies Limited
Investments at Market Value
As at 30 June 2020

Investments at Market Value

	\$	%
MATERIALS		
NOVONIX LIMITED*	413,317	18.42%
UNLISTED		
FREMANTLE OCTOPUS GROUP	999,999	44.56%
CASH	830,627	37.02%
TOTAL	2,243,943	100.00%

*The remaining Novonix shares were sold in July 2020.

Corporate Governance Statement

As an ASX-listed company, 8IP Emerging Companies Limited and its Directors are committed to responsible and transparent financial and business practices to protect and advance Shareholders' interests. The Company's strong corporate governance practices are based on the ASX Corporate Governance Principles and Recommendations.

The Board has adopted these ASX principles and recommendations which are complemented by the Company's core principles of honesty and integrity. The corporate governance policies and practices adopted by the Board are outlined in the Company's Corporate Governance Statement (www.8EC.com.au).

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Directors' Report

The Directors present their report together with the financial report of 8IP Emerging Companies Limited ("8EC" or the "Company") for the year ended 30 June 2020.

Directors

The following persons held office as Directors during the year or since the end of the 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)
David Prescott (Independent Director) (appointed 16 March 2020)

Principal activities

At a General Meeting on 1 August 2019, Shareholders resolved to approve the sale of the Company's assets and the distribution of capital to Shareholders. Subsequently, the Board advised the Manager that they were no longer bound by the Investment Guidelines in the Investment Management Agreement and instructed the Manager to execute the sale of securities at fair prices. On 16 March 2020, the Company announced that it had entered into an agreement with Lanyon Asset Management Pty Ltd (Lanyon) in relation to the recapitalisation and future of the Company, which the Board determined as superior to completing the existing Sale and Distribution Proposal which was planned to conclude with the wind-up of the Company. The Company is in the process of finalising a notice of meeting to send to shareholders to consider the Lanyon proposal.

Dividends

	Dividend Rate	Total Amount	Record Date	Date of Payment	% Franked
2019					
Ordinary shares - interim dividend	\$0.015	\$615,272	27/02/2019	15/03/2019	0%

There were no dividends paid during the year ended 30 June 2020.

Review of operations

The operating loss before tax was \$552,392 for the year ended 30 June 2020 (2019: loss of \$6,554,110). The net result after tax was a loss of \$620,671 (2019: loss of \$5,672,099).

The net tangible asset backing before tax as at 30 June 2020 was \$0.0540 per share (2019: \$0.8565). The net tangible asset backing after tax as at 30 June 2020 was \$0.0523 (2019: \$0.8572 revised from \$0.8839 as previously released as a result of the write down of deferred tax asset). Please refer to Note 5(a)(i) for further explanation.

Financial Position

The net asset value of the Company for the year ended 30 June 2020 was \$2,147,992 (2019: \$35,173,552).

Significant changes in the state of affairs

At a General Meeting on 1 August 2019, Shareholders resolved to approve the sale of the Company's assets and the distribution of capital to Shareholders. An initial distribution of \$0.52 per share was paid to Shareholders on 21 August 2019 and a second distribution of \$0.22 per share was paid to Shareholders on 3 October 2019.

Significant changes in the state of affairs (continued)

On 16 March 2020, the Company announced that it has entered into an agreement with Lanyon Asset Management Pty Limited ("Lanyon") in relation to the future of 8EC. The Board determined that the agreement with Lanyon is superior to completing the existing Sale and Distribution Proposal which was planned to conclude with the wind-up of the Company. The Company is in the process of finalising a notice of meeting to send to shareholders to consider the Lanyon proposal.

The securities of the Company were suspended from quotation, following the announcement that it has entered into an agreement ("Lanyon Proposal") with Lanyon with respect to a proposed recapitalisation.

Further to the agreement announced on 16 March 2020 and in accordance with the resolutions passed at the General Meeting on 1 August 2019, a third distribution of capital of \$0.05 per share was paid to Shareholders on 28 April 2020.

There were no other significant changes in the state of affairs of the Company during the year ended 30 June 2020, other than already disclosed above.

Matters subsequent to the end of the financial year

The remaining Novonix shares were sold in July 2020.

On 29 July 2020, the Company announced that in accordance with the resolutions passed at the General Meeting on 1 August 2019, and following the sale of the Company's remaining listed investment in early July 2020, a fourth distribution of capital of \$0.02 per share was paid to Shareholders on 11 August 2020.

No other matter or circumstance has occurred subsequent to year 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 years.

Likely developments and expected results of operations

The Company is almost complete in the orderly sale of its investment portfolio.

In March 2020, the Company entered into an agreement with Lanyon Asset Management Pty Limited in relation to the future of 8EC.

A General Meeting will be held to consider the Lanyon Proposal. In the event that the Lanyon Proposal is not approved by Shareholders, then in the absence of a superior offer, the Board intends to take steps to propose winding up and deregistration of the Company.

Further information on these developments is contained in the Chairman's Letter on page 1 of the Annual Report.

Environmental regulation

The Company is not affected by any significant environmental regulation in respect of its operations.

To the extent that any environmental regulations may have an incidental impact on the Company's operations, the Directors of the Company are not aware of any breach by the Company of those regulations.

Information on Directors

Jonathan Sweeney Chairman, Non-executive Independent

Experience and expertise

Jonathan Sweeney, with more than 30 years' experience, has had a broad career in financial services, initially in equity funds management in London that continued when he returned to Australia. He was Managing Director of Trust Company for eight years and in 2008 he co-founded a real estate investment business that became Folkstone. He left Folkstone in 2008 to pursue a portfolio of roles.

Information on Directors (continued)

Other current directorships

Jonathan Sweeney is currently a non-executive director of Velocity Rewards Pty Ltd, Advance Asset Management Limited, Asgard Capital Management Limited, BT Portfolio Services Limited, Westpac Financial Services Limited, The Australian Davis Cup Tennis Foundation, member of Perpetual Superannuation Limited Investment Committee and is Chairman of Perpetual Private Investment Committee.

Former directorships in last 3 years

Jonathan Sweeney has not held any other directorships of listed companies within the last three years.

Special responsibilities

Chairman of the Board and Member of the Audit, Risk and Compliance Committee.

Interests in shares and options

Details of Jonathan Sweeney's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Jonathan Sweeney's interests in contracts of the Company are included later in this report.

Tony McDonald Non-executive Independent Director

Experience and expertise

Tony McDonald is a seasoned director and formerly senior executive with extensive experience in the wealth management and investment industry. He has a successful track record having co-founded and led the Snowball Group from a start-up to a fully integrated wealth management business listed on the ASX. He has also held senior positions at Jardine Fleming Holdings (Hong Kong) and Pacific Mutual Australia and has practised as a lawyer in Australia and overseas.

Other current directorships

Tony McDonald is currently founder and director of T&C Consulting Services Pty Ltd. He is also a director of Hub24 Limited and Chairman of Newington College.

Former directorships in last 3 years

Tony McDonald resigned as a director of URB Investments Limited on 20 December 2019.

Special responsibilities

Chairman of the Audit, Risk and Compliance Committee.

Interests in shares and options

Details of Tony McDonald's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Tony McDonald's interests in contracts of the Company are included later in this report.

Robin Burns Non-executive Independent Director

Experience and expertise

Robin Burns is an experienced director with almost 30 years of leadership experience in the financial services sector. His senior executive roles have included Managing Director and CEO of Equity Trustees, CEO of Equisuper and CEO Risk at AXA Australia.

Other current directorships

Robin Burns is Chairman of Indue Ltd, is a non-executive director of Defence Health Ltd, is a non-executive director of BT Funds Management Ltd, and is a member of the PIMCO Australia External Compliance Committee.

Information on Directors (continued)

Former directorships in last 3 years

Robin Burns has not held any other directorships of listed companies within the last three years.

Special responsibilities

Member of the Audit, Risk and Compliance Committee.

Interests in shares and options

Details of Robin Burns' interests in shares of the Company are included later in this report.

Interests in contracts

Details of Robin Burns' interests in contracts of the Company are included later in this report.

Kerry Series Executive Non-Independent Director

Experience and expertise

Kerry Series has advised or invested in equities since 1992. In 1999 he co-founded Perennial Investment Partners, which achieved strong investment performance and reached \$20 billion in assets under management within eight years. Prior to co-founding Eight Investment Partners, he was the Head of Asia Pacific Equities at AMP Capital where he was responsible for three investment teams that managed approximately \$5 billion of assets. Kerry also spent time in Hong Kong where he was an Investment Director for HSBC Asset Management.

Kerry Series is a significant shareholder in Eight Investment Partners (the "Manager"). He has a Bachelor of Science (Economics) from Birkbeck College, University of London; is a Certified Investment Management Analyst (CIMA); and holds a UK Securities Industry Diploma.

Other current directorships

Kerry Series does not currently hold any other directorships of listed companies.

Former directorships in last 3 years

Kerry Series has not held any other directorships of listed companies within the last three years.

Special responsibilities

Principal and Chief Investment Officer of Eight Investment Partners.

Interests in shares and options

Details of Kerry Series' interests in shares of the Company are included later in this report.

Interests in contracts

Details of Kerry Series' interests in contracts of the Company are included later in this report.

Geoff Wilson AO Non-executive Non-Independent Director

Experience and expertise

Geoff Wilson has over 39 years' direct experience in investment markets having held a variety of senior investment roles in Australia, the UK and the US. Geoff founded Wilson Asset Management in 1997. Geoff created Australia's first listed investment companies to deliver both investment and social returns, Future Generation Australia and Future Generation Global. Geoff holds a Bachelor of Science, a Graduate Management Qualification and is a Fellow of the Financial Services Institute of Australasia and the Australian Institute of Company Directors (AICD).

Information on Directors (continued)

Other current directorships

Geoff Wilson is currently Chairman of WAM Capital Limited (appointed March 1999), WAM Research Limited (appointed June 2003), WAM Active Limited (appointed July 2007), WAM Leaders Limited (appointed March 2016), WAM Microcap Limited (appointed March 2017), WAM Global Limited (appointed February 2018) and the Australian Stockbrokers Foundation. He is the founder and a Director of Future Generation Investment Company Limited (appointed July 2014) and Future Generation Global Investment Company Limited (appointed May 2015) and a Director of Australian Leaders Fund Limited (appointed October 2003), Global Value Fund Limited (appointed April 2014), Incubator Capital Limited (appointed February 2000), Hearts and Minds Investments Limited (appointed September 2018), Wealth Defender Equities Pty Limited (appointed October 2018), Wollongong 2022 Limited (appointed March 2019), Sporting Chance Cancer Foundation, Australian Fund Managers Foundation and the Australian Children's Music Foundation. He is the founder and Director of investment management companies Wilson Asset Management (International) Pty Limited and MAM Pty Limited.

Former directorships in last 3 years

Geoff Wilson resigned as a director of Clime Capital Limited in March 2018.

Special responsibilities

N/A

Interests in shares and options

Details of Geoff Wilson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Geoff Wilson's interests in contracts of the Company are included later in this report.

David Prescott Independent Director

Experience and expertise

David Prescott is the founder and Managing Director of Lanyon Asset Management Pty Limited. He has over 20 years' funds management experience working for firms in Australia and the UK. David was previously Head of Equities at institutional fund manager, CP2 (formerly Capital Partners). David has an Economics degree from the University of Adelaide, a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia (FINSIA) and is a CFA charterholder.

Other current directorships

David Prescott is a director of BSA Limited (ASX:BSA).

Former directorships in last 3 years

David Prescott has not held any other directorships of listed companies within in the last three years.

Special responsibilities

N/A

Interests in shares and options

Details of David Prescott's interests in shares of the Company are included later in this report.

Interests in contracts

Details of David Prescott's interests in contracts of the Company are included later in this report.

Company Secretary

Laura Newell

Laura Newell is an experienced Chartered Company Secretary and has worked for a broad range of organisations, both in-house and for corporate secretarial service providers.

Laura Newell has over seven years of experience in the company secretarial industry, covering public unlisted entities, FTSE100 and ASX listed entities. She has worked with Boards and executive management of listed and unlisted companies across a range of industry sectors.

Laura Newell is a Company Secretary of a number of ASX listed and unlisted public companies. She holds a degree with Honours in Law and Criminology and a Masters degree in Law and Corporate Governance. She is an Associate of the Governance Institute of Australia (GIA).

Meetings of Directors

The numbers of meetings of the Company's Board of Directors and of each Board committee held during the year ended 30 June 2020, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Meetings of committee	
			Audit, Risk and Compliance	
	A	B	A	B
Jonathan Sweeney	13	13	5	5
Tony McDonald	12	13	5	5
Robin Burns	9	13	4	5
Kerry Series*	13	13	-	-
Geoff Wilson*	5	13	-	-
David Prescott*	3	3	-	-

A = Number of meetings attended

B = Number of meetings held during the time the Director held office or was a member of the committee during the year

* Not a member of Audit, Risk and Compliance committee

Remuneration report (Audited)

This report details the nature and amount of remuneration for each Director of the Company in accordance with the *Corporations Act 2001*.

The Directors were entitled to receive the following benefits in 2019/20:

	1 July 2019 - 30 November 2019	1 December 2019 - 30 June 2020
Jonathan Sweeney	\$50,000 p.a. (including superannuation)	\$25,000 p.a. (including superannuation)
Tony McDonald	\$40,000 p.a. * (including superannuation)	\$20,000 p.a. * (including superannuation)
Robin Burns	\$40,000 p.a. (including superannuation)	\$20,000 p.a. (including superannuation)
Kerry Series	\$0	\$0
Geoff Wilson	\$10,000 p.a. (including superannuation)	\$5,000 p.a. (including superannuation)
David Prescott (appointed 16 March 2020)	\$0	\$0

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Remuneration report (Audited) (continued)

Each Director (other than an Executive Director) may be paid remuneration for ordinary services performed as a Director. Under the ASX Listing Rules the maximum fees payable to Directors may not be increased without prior approval from the Company at a general meeting. Directors will seek approval from time to time as deemed appropriate.

* Paid as a consulting fee to a company associated with Mr Tony McDonald. The amount disclosed excludes applicable GST.

Details of remuneration

The following tables show details of the remuneration received by the Directors of the Company for the financial year.

2020	Short-term employee benefits	Post-employment benefits	
Name	Salary and fees \$	Superannuation \$	Total \$
Non-executive Directors			
Jonathan Sweeney	32,343	3,073	35,416
Tony McDonald	31,166	-	31,166
Robin Burns	25,876	2,458	28,334
Geoff Wilson	6,470	614	7,084
David Prescott	-	-	-
Sub-total non-executive Directors	95,855	6,145	102,000
Executive Director			
Kerry Series*	-	-	-
Sub-total executive Director	-	-	-
Total key management personnel compensation	95,855	6,145	102,000
2019	Short-term employee benefits	Post-employment benefits	
Name	Salary and fees \$	Superannuation \$	Total \$
Non-executive Directors			
Jonathan Sweeney	45,662	4,338	50,000
Tony McDonald	40,000	-	40,000
Robin Burns	36,530	3,470	40,000
Geoff Wilson	9,132	868	10,000
Sub-total non-executive directors	131,324	8,676	140,000
Executive Director			
Kerry Series*	-	-	-
Sub-total executive Director	-	-	-
Total key management personnel compensation	131,324	8,676	140,000

* Mr Kerry Series is a significant shareholder and officer of the Manager. During the year, the Manager was entitled to receive fee of \$110,600 net of reduced input tax credits (2019: \$485,128) for the management of the assets of the Company.

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Remuneration report (Audited) (continued)

Details of remuneration (continued)

The following table comprises the Company performance and Non-executive Directors' remuneration:

	2020	2019	2018	2017	2016*
Operating (loss)/profit after tax	(\$620,671)	(\$5,672,099)	\$1,011,127	(\$103,215)	\$3,114,683
Dividends paid (cents per share)	-	1.5	4.0	3.0	-
Net tangible asset backing (per share) before tax	0.0540	0.8565	1.0604	1.0702	1.1025
Total Directors' remuneration	\$102,000	\$140,000	\$90,000	\$90,000	\$72,305
Total Shareholder's Equity	\$2,147,992	\$35,173,552	\$42,691,466	\$42,910,882	\$35,482,480

* The operating profit before tax reflects the reporting period from 24 September 2015 to 30 June 2016.

The Directors' remuneration is not explicitly linked to the Company's performance.

Director Related Entity Remuneration

All transactions with related entities were made on normal commercial terms and conditions.

Kerry Series is a Director and beneficial owner of the Manager, the entity appointed to manage the investment portfolio of the Company. In its capacity as Manager, Eight Investment Partners Pty Limited was entitled to a management fee of 1.25% p.a. (plus GST) of net investment assets amounting to \$110,600 net of reduced input tax credits (2019: \$485,128). As at 30 June 2020, the balance payable to the manager was \$2,508 (2019: \$39,691) (inclusive of 10% GST).

In addition, the Manager is to be paid, semi-annually in arrears, a performance fee being 20% (exclusive of GST) of the portfolio's outperformance and subject to a high water mark. Further information in respect of the Company's performance fee calculation is contained in Section 9.1 of the Company's Replacement Prospectus which was issued 14 October 2015.

For the year ended 30 June 2020 and 30 June 2019, the Manager was entitled to nil performance fee. As at 30 June 2020 and 30 June 2019, the balance payable to the Manager was nil.

No other Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

Remuneration of Executives

There are no executives that are directly paid by the Company. However, Kerry Series is considered an Executive Director on the basis that he is a director and a shareholder of Eight Investment Partners Pty Limited and due to his role as an Investment Manager in that entity, is integrally involved in the operation of the Company. Eight Investment Partners Pty Limited remunerates Kerry Series as an employee and also provides day to day management of the Company's investment portfolio and is remunerated as outlined above.

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Remuneration report (Audited) (continued)

Equity Instrument Disclosures Relating to Directors

As at the date of this report, the Company's Directors and their related parties held the following interests in the Company:

Ordinary Shares Held

2020

Director	Position	Balance at 1 July 2019	Net movement	Other changes	Balance at 30 June 2020
Jonathan Sweeney	Independent Chairman	350,000	-	-	350,000
Tony McDonald	Independent Director	80,000	-	-	80,000
Robin Burns	Independent Director	-	-	-	-
Kerry Series	Non-Independent Director	1,343,001	-	-	1,343,001
Geoff Wilson	Non-Independent Director	1,721,629	-	-	1,721,629
David Prescott	Independent Director	-	-	-	-
		3,494,630	-	-	3,494,630

2019

Director	Position	Balance at 1 July 2018	Net movement	Other changes	Balance at 30 June 2019
Jonathan Sweeney	Independent Chairman	350,000	-	-	350,000
Tony McDonald	Independent Director	80,000	-	-	80,000
Robin Burns	Independent Director	-	-	-	-
Kerry Series	Non-Independent Director	1,343,001	-	-	1,343,001
Geoff Wilson*	Non-Independent Director	1,556,973	164,656	-	1,721,629
		3,329,974	164,656	-	3,494,630

* The number of shares held by Mr Wilson were incorrectly stated in the FY2019 accounts due to an administrative error, and have been correctly reported here.

Directors and Director related entities acquired ordinary shares in the Company on the same terms and conditions available to other Shareholders.

There are no movements in interests between balance date and the date of this report.

Options Held

No options are on issue.

End of Remuneration report.

Insurance and indemnification of officers and auditors

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company, the Company Secretary and any related body corporate against liability incurred as such by a Director or Secretary to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

No indemnities have been given or insurance premiums paid during or since the end of the financial year, for any person who is or has been an auditor of the Company.

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Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

The Board of Directors has considered the position and, in accordance with advice received from the Audit, Risk and Compliance Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services disclosed in Note 17 to the financial statements, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- All non-audit services have been reviewed by the audit, risk and compliance committee to ensure they do not impact the impartiality and objectivity of the auditor
- None of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

Rounding of amounts

The Company is of a kind referred to ASIC *Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off to the nearest dollar in accordance with that *ASIC Corporations Instrument*, unless otherwise indicated.

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 15.

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



Jonathan Sweeney
Independent Chairman

Sydney
26 August 2020

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

In relation to the independent audit of 8IP Emerging Companies Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor's independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)*.



S M Whiddett
Partner

Pitcher Partners
Sydney

26 August 2020

8IP Emerging Companies Limited
Statement of Comprehensive Income
For the year ended 30 June 2020

		Year ended	
	Notes	2020 \$	2019 \$
Investment income from ordinary activities			
Net realised gains on financial instruments at fair value through profit or loss		1,411,440	2,548,288
Net unrealised losses on financial instruments at fair value through profit or loss		(1,209,551)	(8,374,907)
Dividend income		11,956	220,003
Interest income		32,872	134,138
Trust distributions		-	38,396
Other income		10,000	60
		<u>256,717</u>	<u>(5,434,022)</u>
Expenses			
Management fees	19	(110,600)	(485,128)
Brokerage expense		-	(25,741)
Accounting fees		(59,571)	(75,450)
Company secretarial fees		(31,284)	(30,333)
Share registry fees		(21,317)	(25,584)
Custody fees		(9,524)	(20,496)
Tax fees	17	(23,815)	(10,780)
Directors' fees	16	(102,000)	(151,250)
ASX fees		(44,344)	(39,121)
Audit fees	17	(55,175)	(43,580)
Other expenses		(351,479)	(212,625)
		<u>(809,109)</u>	<u>(1,120,088)</u>
Loss before income tax		(552,392)	(6,554,110)
Income tax (expense)/benefit	7	(68,279)	882,011
Loss for the year		(620,671)	(5,672,099)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(620,671)	(5,672,099)
		Cents	Cents
Loss per share for profit attributable to the ordinary equity holders of the Company:			
Basic loss per share	22	(1.51)	(13.83)
Diluted loss per share	22	(1.51)	(13.83)

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 30 June 2020

	Notes	2020 \$	At 2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	830,627	22,240,600
Trade and other receivables	9	4,035	52,152
Financial assets at fair value through profit or loss	10	1,413,316	12,876,074
Current tax assets		-	88,616
Other current assets		36,033	27,657
Total current assets		<u>2,284,011</u>	<u>35,285,099</u>
Total assets		<u>2,284,011</u>	<u>35,285,099</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	67,740	111,547
Current tax liabilities		68,279	-
Total current liabilities		<u>136,019</u>	<u>111,547</u>
Total liabilities		<u>136,019</u>	<u>111,547</u>
Net assets		<u>2,147,992</u>	<u>35,173,552</u>
EQUITY			
Issued capital	14	7,904,706	40,309,595
Accumulated losses		(5,756,714)	(5,136,043)
Total equity		<u>2,147,992</u>	<u>35,173,552</u>

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 year ended 30 June 2020

Notes	Issued capital \$	Profits reserve \$	Accumulated losses \$	Total \$
Balance at 1 July 2018	40,309,595	10,259,722	(7,877,851)	42,691,466
Loss for the year	-	-	(5,672,099)	(5,672,099)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(5,672,099)	(5,672,099)
Transactions with owners in their capacity as owners:				
Dividends provided for or paid	-	(1,845,815)	-	(1,845,815)
Transfer to and from profits reserve	-	(8,413,907)	8,413,907	-
	-	(10,259,722)	8,413,907	(1,845,815)
Balance at 30 June 2019	40,309,595	-	(5,136,043)	35,173,552
Balance at 1 July 2019	40,309,595	-	(5,136,043)	35,173,552
Loss for the year	-	-	(620,671)	(620,671)
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	(620,671)	(620,671)
Transactions with owners in their capacity as owners:				
Capital distributions paid	(32,404,889)	-	-	(32,404,889)
	(32,404,889)	-	-	(32,404,889)
Balance at 30 June 2020	7,904,706	-	(5,756,714)	2,147,992

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 year ended 30 June 2020

		Year ended	
		2020	2019
Notes		\$	\$
Cash flows from operating activities			
	Proceeds from sale of financial instruments at fair value through profit or loss	11,802,419	33,480,501
	Payments for purchase of financial instruments at fair value through profit or loss	(137,772)	(15,682,617)
	Dividends received	31,260	181,069
	Interest received	51,564	119,830
	Other income received	10,000	43,217
	Brokerage expenses paid	-	(25,253)
	Income taxes paid	88,616	109,726
	Investment management fees paid	(137,421)	(492,203)
	Payments for other expenses	(713,750)	(613,072)
	Net cash inflow from operating activities	10,994,916	17,121,198
21		<u>10,994,916</u>	<u>17,121,198</u>
Cash flows from financing activities			
	Withholding tax paid on distribution	-	(57,460)
	Capital distributions paid	(32,404,889)	-
	Dividends paid to Company's Shareholders	-	(1,788,355)
	Net cash outflow from financing activities	(32,404,889)	(1,845,815)
		<u>(32,404,889)</u>	<u>(1,845,815)</u>
	Net (decrease)/increase in cash and cash equivalents	(21,409,973)	15,275,383
	Cash and cash equivalents at the beginning of the year	22,240,600	6,965,217
	Cash and cash equivalents at the end of the year	830,627	22,240,600
8		<u>830,627</u>	<u>22,240,600</u>

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

1 General information

8IP Emerging Companies Limited ("8EC" the "Company") is a listed public company domiciled in Australia. The address of 8EC's registered office is at Level 12, 225 George Street, Sydney, NSW 2000. At a General Meeting on 1 August 2019, Shareholders resolved to approve the sale of the Company's assets and the distribution of capital to Shareholders. Subsequently, the Board advised the Manager that they were no longer bound by the Investment Guidelines in the Investment Management Agreement and instructed the Manager to execute the sale of securities at fair prices. On 16 March 2020, the Company announced that it had entered into an agreement with Lanyon Asset Management Pty Ltd (Lanyon) in relation to the recapitalisation and future of the Company, which the Board determined as superior to completing the existing Sale and Distribution Proposal which was planned to conclude with the wind-up of the Company. The Company is in the process of finalising a notice of meeting to send to shareholders to consider the Lanyon proposal.

The financial statements of 8IP Emerging Companies Limited are for the year ended 30 June 2020.

The financial statements were authorised for issue by the Board of Directors on 26 August 2020.

2 Significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. The Company is a for-profit entity for the purpose of preparing the financial statements.

The prior year financial report had been prepared on a non-going concern basis as the Board proposed to wind-up the Company in an orderly manner, subject to not receiving a superior proposal. As at the date of preparing these financial statements, and in the context of the agreement with Lanyon to recapitalise the Company, these financial statements have been prepared on a going concern basis of accounting.

(i) Compliance with International Financial Reporting Standards (IFRS)

The financial statements of the Company also comply with IFRS as issued by the International Accounting Standards Board.

(ii) New and amended standards adopted by the Company

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2019 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods of the Company.

(iii) Historical cost convention

The financial statement has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 5.

(v) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

2 Significant accounting policies (continued)

(b) Revenue recognition

(i) Net realised and unrealised gains and losses

Profits and losses realised from the sale of investments and unrealised gains and losses on securities at fair value are included in the Statement of Comprehensive Income in the year they are incurred in accordance with the policies described in Note 2(g).

(ii) Dividends

Dividends are recognised as revenue when the right to receive payment is established.

(iii) Interest income

Interest income is recognised as it accrues, taking into account the effective yield on the financial asset.

(iv) Other income

The Company recognises other income when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company and specific criteria have been met for each of the Company's activities.

(c) Income tax

The income tax expense/(benefit) for the year comprises current income tax expense/(benefit) and deferred tax expense/(benefit).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year.

Current and deferred income tax expense/(benefit) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2 Significant accounting policies (continued)

(e) Due from/to brokers

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and are recognised initially at fair value and subsequently measured at amortised cost.

(f) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

(g) Financial assets and liabilities

The Company's investments are classified as at fair value through profit or loss. They comprise:

Classification

(i) Financial assets

The Company classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The Company's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Company's documented investment strategy. The Company's policy is to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

For cash and cash equivalents and trade and other receivables, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

(i) Financial liabilities

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (management fees payable and other payables).

Recognition and derecognition

Purchases and sales of financial assets at fair value through profit or loss are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Company measures financial assets at fair value. Transaction costs of financial assets at fair value through profit or loss are expensed in the Statement of Comprehensive Income.

Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income.

When an investment is disposed, the cumulative gain or loss is recognised as realised gains and losses from the sale of financial instruments in the Statement of Comprehensive Income.

The Company's accounting policy on fair value measurements is discussed in Note 4.

2 Significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

Impairment

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(h) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(i) Expenses

All expenses, including management fee, are recognised in the Statement of Comprehensive Income on an accruals basis.

(j) Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(k) Profits reserve

A profits reserve has been created representing an amount allocated from retained earnings that is preserved for future dividend payments.

(l) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

In accordance with the *Corporations Act 2001*, the Company may pay a dividend where the Company's assets exceed its liabilities, the payment of the dividend is fair and reasonable to the Company's Shareholders as a whole and the payment of the dividend does not materially prejudice the Company's ability to pay its creditors.

The amount of any dividend will be at the discretion of the Board. Currently, it is the Board's intention that all dividends paid to Shareholders will be franked to 100% or to the maximum extent possible.

(m) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- By the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

2 Significant accounting policies (continued)

(m) Earnings per share (continued)

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- The weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Where applicable, the Company qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 75%; hence fees for these services have been recognised in the Statement of Comprehensive Income net of the amount of GST recoverable from the taxation authority.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the Statement of Financial Position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(o) Operating segments

The Company operated in Australia only and the principal activity is investing.

(p) Rounding of amounts

The Company is of a kind referred to *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off to the nearest dollar in accordance with that ASIC Corporations instrument, unless otherwise indicated.

(q) Functional and presentation currency

The functional and presentation currency of the Company is Australian dollars.

(r) Comparatives

Where necessary, comparative information has been reclassified to be consistent with current reporting period.

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity risk. The Board of the Company has implemented a risk management framework to mitigate these risks.

(a) Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Price risk

Exposure

The Company is exposed to equity securities price risk. This arises from investments held by the Company and classified in the Statement of Financial Position as financial assets at fair value through profit or loss.

As at 30 June 2020, the Company held shares in Novonix Limited (ASX: NVX) and Fremantle Octopus Group which represented over 5% of the investment portfolio (2019: nil).

Sensitivity

The following table illustrates the effect on the Company's net assets from possible changes in fair value for level 1 investments that were reasonably possible based on the risk the Company was exposed to at reporting date. The analysis is based on the assumption that the equity index had increased by 5% and 10% or decreased by 5% and 10% with all other variables held constant, and that all the Company's \$0.4m (2019: \$11.4m) of financial instruments moved in line with the index.

	Impact on post-tax profit/(loss) and net assets	
	2020 \$	2019 \$
Decrease 5%	(14,903)	(571,804)
Increase 5%	14,903	571,804
Decrease 10%	(28,932)	(1,143,608)
Increase 10%	28,932	1,143,608

Post-tax profit/(loss) for the year would increase/decrease as a result of gains/(losses) on financial assets classified as at fair value through profit or loss. There is no additional impact on other components of equity.

3 Financial risk management (continued)

(a) Market risk (continued)

Cash flow and fair value interest rate risk

The Company's interest bearing financial assets expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows. The risk is measured using sensitivity analysis.

The table below summarises the Company's exposure to interest rate risks. It includes the Company's assets and liabilities at fair values, categorised by the earlier of contractual repricing or maturity dates.

At 30 June 2020	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	830,627	-	-	830,627
Trade and other receivables	-	-	4,035	4,035
Financial assets at fair value through profit or loss	-	-	1,413,316	1,413,316
	<u>830,627</u>	<u>-</u>	<u>1,417,351</u>	<u>2,247,978</u>
Financial liabilities				
Trade and other payables	-	-	(67,740)	(67,740)
	<u>-</u>	<u>-</u>	<u>(67,740)</u>	<u>(67,740)</u>
Net exposure to interest rate risk	<u>830,627</u>	<u>-</u>	<u>1,349,611</u>	<u>2,180,238</u>
At 30 June 2019	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$
Financial assets				
Cash and cash equivalents	22,240,600	-	-	22,240,600
Trade and other receivables	-	-	52,152	52,152
Financial assets at fair value through profit or loss	-	440,000	12,436,074	12,876,074
	<u>22,240,600</u>	<u>440,000</u>	<u>12,488,226</u>	<u>35,168,826</u>
Financial liabilities				
Trade and other payables	-	-	(111,547)	(111,547)
	<u>-</u>	<u>-</u>	<u>(111,547)</u>	<u>(111,547)</u>
Net exposure to interest rate risk	<u>22,240,600</u>	<u>440,000</u>	<u>12,376,679</u>	<u>35,057,279</u>

Sensitivity

At 30 June 2020, if interest rates had increased by 75 basis points or decreased by 75 basis points from the year end rates with all other variables held constant, post-tax profit/(loss) for the year would have been \$4,517 higher/lower/\$4,517 lower/higher (2019 changes of +75 bps/-75 bps: \$120,934 higher/\$120,934 lower on post-tax loss), mainly as a result of higher/lower interest income from cash and cash equivalents.

3 Financial risk management (continued)

(b) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Statement of Financial Position and Notes to the Financial Statements. The Company is also exposed to counterparty credit risk on derivatives financial instruments, cash and cash equivalents, amounts due from brokers and other receivables.

None of these assets are overdue or considered to be impaired.

The Company manages credit risk by only entering into agreements with creditworthy parties.

(c) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Manager manages liquidity risk by monitoring the asset size of the Company as a whole on executing transactions.

Maturities of financial liabilities

All non-derivative financial liabilities of the Company have maturities of less than 1 month.

4 Fair value measurements

The Company measures and recognises the following 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 in the current reporting period.

(a) Fair value hierarchy

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

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

4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

The Company values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Company relies on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial instruments held by the Company is the last sale price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds.

(iii) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June.

At 30 June 2020	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets				
Listed equity securities	413,317	-	-	413,317
Unlisted equity securities	-	-	999,999	999,999
Total financial assets	413,317	-	999,999	1,413,316

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4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

At 30 June 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Listed equity securities	11,436,075	-	-	11,436,075
Unlisted equity securities	-	-	999,999	999,999
Unlisted convertible notes	-	-	440,000	440,000
Total financial assets	11,436,075	-	1,439,999	12,876,074

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 year, excluding transaction costs.

There is no investment included in Level 2 for the current year (2019: nil).

In the prior year, there was a transfer of financial assets with a total valuation of \$999,999 from Level 2 to Level 3 because of a reduction in current market observable inputs. Also included in Level 3 of the hierarchy in the prior year are unlisted convertible notes acquired that have been valued at cost, which the Directors consider to represent fair value.

There were no transfers between levels of the fair value hierarchy as at the end of the current reporting period.

The following table presents the movement in fair value of level 3 instruments for the year ended 30 June 2020 and 30 June 2019.

	30 June 2020 \$	30 June 2019 \$
Opening balance	1,439,999	-
Transfers in during the period	-	999,999
Sales during the period	(440,000)	-
Acquisition during the period	-	440,000
Closing balance	999,999	1,439,999

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.

As at 30 June 2020, there is one investment under level 3 category (2019: two), which pertain to shares of an unlisted entity (2019: shares of an unlisted entity and in unlisted convertible notes) which represented 70.8% (2019: 11.2%) of financial assets at fair value through profit or loss (and 3.5 cents/share). The following table illustrates the effect on the Company's net assets from possible changes in the fair value of these investments at reporting date by 10% and 25%, assuming all other variables remaining constant:

	Impact on profit/(loss) and net assets			
	Impact on NTA/share 30 June 2020 cents/share	Impact on NTA/share 30 June 2019 cents/share	30 June 2020 \$	30 June 2019 \$
Increase 10%	0.24	0.35	98,000	144,000
Decrease 10%	(0.24)	(0.35)	(98,000)	(144,000)
Increase 25%	0.61	0.88	250,000	361,000
Decrease 25%	(0.61)	(0.88)	(250,000)	(361,000)

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4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

The Directors considered the carrying value of the investment held in shares of Fremantle Octopus Group Limited ("FOG") which as at 30 June 2020 and 30 June 2019, amounted to \$999,999. FOG completed a capital raising in February 2020 totalling approximately \$1.1million at a price of \$1.65 per share, which is the price paid by the Company for its investment in FOG and the carrying value per FOG share at 30 June 2020. Since the date of FOG's capital raise, COVID-19 has caused numerous government restrictions in Australia and across the world. The Directors have consulted with the Investment Manager and considered information available to the Board. Given the nature of the unlisted investment and lack of more information, the Directors are unable to assess the impact of the pandemic and associated disruptions on the fair value of the Company's investment in FOG as at year end. Accordingly, the Directors have made no adjustment to its carrying value.

5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(i) Income taxes

Shareholders approved the sale and distribution of the Company's assets at a meeting held on 1 August 2019. Accordingly, as at 30 June 2019 the Board formed the view that the prospects of the Company generating adequate future profits is sufficiently remote that the value of the deferred tax assets (with respect to carried forward tax losses) should be written down to nil. With continued uncertainty as to the utilisation of the Company's available tax losses as at 30 June 2020 they continue to be recognised at nil value in these financial statements.

(ii) Financial instruments

For the majority of the Company's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. For more information on how fair value is calculated please see Note 4 to the financial statements.

6 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.

7 Income tax expense/(benefit)

(a) Income tax expense/(benefit) through profit or loss

	Year ended	
	2020	2019
	\$	\$
Current tax expense/(benefit)	68,279	(882,011)
	68,279	(882,011)
<i>Income tax expense/(benefit) is attributable to:</i>		
Loss from continuing operations	68,279	(882,011)
Aggregate income tax expense/(benefit)	68,279	(882,011)

(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable

	Year ended	
	2020	2019
	\$	\$
Loss from continuing operations before income tax benefit	(552,392)	(6,554,110)
Tax at the Australian tax rate of 27.5% (2019 - 27.5%)	(151,908)	(1,802,380)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	(5,124)	(91,481)
Imputation credit gross up	1,409	25,157
Under-provision in prior year	-	(99,846)
Adjustment to deferred taxes	138,036	1,086,539
Cash flow boost received	(2,750)	-
Tax refund received	88,616	-
Income tax expense/(benefit)	68,279	(882,011)

The applicable weighted average effective tax rates are as follows: 12.36% (13.46%)

(c) Amounts recognised directly in equity

	Note	Year ended	
		2020	2019
		\$	\$
Aggregate deferred tax arising in the reporting period and not recognised in net loss or other comprehensive income but directly debited or credited to equity:			
Deferred tax: Share issue costs	11	-	56,006
		-	56,006

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8 Current assets - Cash and cash equivalents

	2020	At 2019
	\$	\$
Current assets		
Cash at bank	830,627	22,240,600
	<u>830,627</u>	<u>22,240,600</u>

(a) Risk exposure

The Company's exposure to interest rate risk is discussed in Note 3. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

Cash investments are made with the following financial institutions:

	Standard & Poor's Rating
Australia and New Zealand Banking Group Ltd	AA-
J.P Morgan Chase Bank N.A (Sydney Branch)	A+

9 Current assets - Trade and other receivables

	2020	At 2019
	\$	\$
Dividends receivable	-	19,304
Interest receivable	22	18,714
GST receivable	4,013	14,134
	<u>4,035</u>	<u>52,152</u>

Receivables are non-interest bearing and unsecured.

Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amounts are reasonable approximations of their fair value. The maximum exposure to credit risk at the end of the period is the carrying amount of each class of receivables mentioned above. There are no past due or impaired receivables.

10 Current assets - Financial assets at fair value through profit or loss

	2020	At 2019
	\$	\$
Listed equity securities	413,317	11,436,075
Unlisted equity securities	999,999	999,999
Unlisted convertible notes	-	440,000
Total financial assets	<u>1,413,316</u>	<u>12,876,074</u>

The market values of all investments as at 30 June 2020 are disclosed on page 3 of the Annual Report. Listed securities are readily saleable with no fixed terms.

Changes in fair values of financial assets at fair value through profit or loss are recorded in investment income in the Statement of Comprehensive Income.

10 Current assets - Financial assets at fair value through profit or loss (continued)

(a) Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 82 (2019: 400). Each investment transaction may involve multiple contract notes.

The total brokerage paid on these contract notes was \$16,438 (2019: \$83,234).

(b) Risk exposure and fair value measurements

Information about the Company's exposure to price risk and about the methods and assumptions used in determining fair value is provided in Note 3 and Note 4.

11 Non-current assets - Deferred tax assets

	2020	At	2019
	\$		\$
The balance comprises temporary differences attributable to:			
Capitalised share issue costs	-		56,006
Carry forward losses	-		1,309,216
Accrued expenses	-		9,529
Adjustment to deferred taxes	-		(1,092,003)
			282,748
			Total
			\$
Movements:			
Opening balance 1 July 2018			1,626,035
Charged			
- to profit or loss			(1,277,465)
- directly to equity			(65,822)
Closing balance 30 June 2019			282,748
Opening balance 1 July 2019			282,748
Charged			
- to profit or loss			(226,742)
- directly to equity			(56,006)
Closing balance 30 June 2020			-

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12 Current liabilities - Trade and other payables

	2020	At	2019
	\$		\$
Management fees payable	2,508		39,691
Other payables	65,232		71,856
	<u>67,740</u>		<u>111,547</u>

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

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

13 Non-current liabilities - Deferred tax liabilities

	2020	At	2019
	\$		\$
The balance comprises temporary differences attributable to:			
Net unrealised gains on investments	-		277,602
Accrued interest income	-		5,146
	<u>-</u>		<u>282,748</u>

	Total
	\$
Movements:	
Opening balance 1 July 2018	2,824,198
Credited	
- to profit or loss	(2,541,450)
Closing balance 30 June 2019	<u>282,748</u>
Opening balance 1 July 2019	282,748
Credited	
- to profit or loss	(282,748)
Closing balance 30 June 2020	<u>-</u>

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14 Issued capital

(a) Share capital

	Notes	30 June 2020 Shares	30 June 2019 Shares	30 June 2020 \$	30 June 2019 \$
Ordinary shares	14(b), 14(c)	41,018,108	41,018,108	7,904,706	40,309,595

(b) Movements in ordinary share capital

Details	Number of shares	\$
Opening balance 1 July 2019	41,018,108	40,309,595
Capital distributions paid	-	(32,404,889)
Closing balance 30 June 2020	41,018,108	7,904,706

Details

Opening balance 1 July 2018	41,018,108	40,309,595
Closing balance 30 June 2019	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.

(d) Capital risk management

The Board of Directors will actively manage the capital of the Company. The overriding intention is to deliver value to Shareholders.

To achieve this the Board monitors the monthly NTA results, investment performance, the Company's Indirect Cost Ratio and share price movements.

The Company is not subject to any externally imposed capital requirements.

15 Dividends

(a) Ordinary shares

Dividends paid fully franked at 30% tax rate:

	Dividend Rate	Total Amount	Date of Payment	% Franked
2019 Ordinary shares - interim dividend	\$0.015	\$615,272	15/03/2019	0%
Total		<u>\$615,272</u>		

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

Since the financial year ended 30 June 2020, the Directors have not recommended any dividends.

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15 Dividends (continued)

(c) Dividend franking account

The franked portions of any final dividends recommended after 30 June 2020 will be franked out of existing franking credits or out of franking credits arising from the payment, if any, of income tax in the year ended 30 June 2021.

	Year ended	
	2020	2019
	\$	\$
Opening balance of franking account	15,213	33,458
Franking credits on dividends received	5,124	91,481
Tax paid during the year	204,866	622,744
Tax refund	(293,482)	(732,470)
Closing balance of franking account	<u>(68,279)</u>	<u>15,213</u>
Franking (deficit)/credits (payable)/available for subsequent reporting periods based on a tax rate of 27.5% (2019: 27.5%)	<u>(68,279)</u>	<u>15,213</u>

16 Key management personnel disclosures

(a) Key management personnel compensation

	Year ended	
	2020	2019
	\$	\$
Short-term employee benefits	95,855	141,598
Post-employment benefits	6,145	9,652
	<u>102,000</u>	<u>151,250</u>

Detailed remuneration disclosures are provided in the remuneration report on pages 10 to 13.

(b) Equity instrument disclosures relating to key management personnel

(i) Share holdings

The numbers of shares in the Company held during the financial year by each Director of the Company and other key management personnel of the Company, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2020	Balance at the start of the year	Net movement	Other changes	Balance at end of the year
Directors of 8IP Emerging Companies Limited				
Ordinary shares				
Jonathan Sweeney	350,000	-	-	350,000
Tony McDonald	80,000	-	-	80,000
Kerry Series	1,343,001	-	-	1,343,001
Geoff Wilson	1,721,629	-	-	1,721,629
	<u>3,494,630</u>	<u>-</u>	<u>-</u>	<u>3,494,630</u>

16 Key management personnel disclosures (continued)

(b) Equity instrument disclosures relating to key management personnel (continued)

2019	Balance at the start of the year	Net movement	Other changes	Balance at end of the year
Directors of 8IP Emerging Companies Limited				
Ordinary shares				
Jonathan Sweeney	350,000	-	-	350,000
Tony McDonald	80,000	-	-	80,000
Kerry Series	1,343,001	-	-	1,343,001
Geoff Wilson*	1,556,973	164,656	-	1,721,629
	<u>3,329,974</u>	<u>164,656</u>	<u>-</u>	<u>3,494,630</u>

* The number of shares held by Mr Wilson were incorrectly stated in the FY2019 accounts due to an administrative error, and have been correctly reported here.

(ii) Option holdings

No options are on issue during the year ended 30 June 2020 (2019: nil).

17 Remuneration of auditor

During the year the following fees were paid or payable for services provided by the auditor of the Company and its related practices:

	Year ended	
	2020 \$	2019 \$
Pitcher Partners		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	<u>55,175</u>	43,580
Total remuneration for audit and other assurance services	<u>55,175</u>	<u>43,580</u>
<i>Taxation services</i>		
Tax compliance services	<u>23,815</u>	10,780
Total remuneration for taxation services	<u>23,815</u>	<u>10,780</u>
Total remuneration of Pitcher Partners	<u>78,990</u>	<u>54,360</u>

The Company's Audit, Risk and Compliance Committee (the "Committee") oversees the relationship with the Company's External Auditors. The Committee reviews the scope of the audit and the proposed fee. It also reviews the cost and scope of other audit-related tax compliance services provided by the audit firm, to ensure that they do not compromise independence.

18 Contingent assets and liabilities and commitments

The Company had no contingent assets, contingent liabilities or commitments as at 30 June 2020 (2019: nil).

19 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 16.

(b) Transactions with other related parties

All transactions with related entities were made on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Kerry Series is a Director and beneficial owner of the Manager, the entity appointed to manage the investment portfolio of the Company. In its capacity as Manager, Eight Investment Partners Pty Limited was entitled to a management fee of 1.25% p.a. (plus GST) of gross assets amounting to \$110,600 net of reduced input tax credits (2019: \$485,128). As at 30 June 2020, the balance payable to the Manager was \$2,508 (2019: \$39,691) (inclusive of 10% GST).

In addition, the Manager is to be paid, annually in arrears, a performance fee being 20% (exclusive of GST) of the portfolio's outperformance and subject to a high water mark. Further information in respect of the Company's performance fee calculation is contained in Section 9.1 of the Company's Replacement Prospectus which was issued 14 October 2015.

For the year ended 30 June 2020 and 30 June 2019, the Manager was entitled to nil performance fee. As at 30 June 2020 and 30 June 2019, the balance payable to the Manager was \$nil.

No other Director has received or become entitled to receive a benefit (other than those detailed above) by reason of a contract made by the Company or a related Company with the Director or with a firm of which he is a member or with a Company in which he has substantial financial interest.

20 Events occurring after the reporting period

On 29 July 2020, the Company announced that in accordance with the resolutions passed at the General Meeting on 1 August 2019, and following the sale of the Company's remaining listed investment in early July 2020, a fourth distribution of capital of \$0.02 per share would be paid to Shareholders on 11 August 2020. The Company's investment portfolio is now comprised of cash and unlisted shares in Fremantle Octopus Group as the remaining Novonix shares were sold in July.

Shareholders will recall that in the absence of a superior proposal, once the Sale and Distribution Proposal had been substantially implemented the Company planned to hold a meeting of shareholders to approve the appointment of a liquidator and winding-up of the Company. On 16 March 2020, the Company announced that it had entered into an agreement with Lanyon Asset Management Pty Ltd (Lanyon) in relation to the future of 8EC. Further details of the Lanyon Proposal can be found in the Company's announcement to the ASX dated 16 March 2020. The Board determined that the agreement with Lanyon is superior to completing the existing Sale and Distribution Proposal which was planned to conclude with the wind-up of the Company. The Company is in the process of finalising a notice of meeting to send to shareholders to consider the Lanyon proposal.

No other matter or circumstance has occurred subsequent to year 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 years.

21 Reconciliation of (loss)/profit after income tax to net cash outflow from operating activities

	Year ended	
	2020	2019
	\$	\$
Loss for the year	(620,671)	(5,672,099)
Proceeds from sale of financial assets at fair value through profit or loss	11,802,419	33,480,501
Payments for purchase of financial assets at fair value through profit or loss	(137,772)	(15,682,617)
Net unrealised gains on investments	1,209,551	8,374,907
Net realised losses on investments	(1,411,440)	(2,548,288)
Short dividends reinvested	-	(19,630)
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	48,117	(25,790)
Increase in other current assets	(8,376)	(15,097)
Decrease in deferred tax assets	282,748	1,343,287
Decrease in other current tax assets	88,616	425,878
(Decrease)/increase in trade and other payables	(43,807)	1,596
Increase in provision for income taxes	68,279	-
Decrease in deferred tax liabilities	(282,748)	(2,541,450)
Net cash inflow from operating activities	<u>10,994,916</u>	<u>17,121,198</u>

22 Loss per share

(a) Basic loss per share

	Year ended	
	2020	2019
	Cents	Cents
Basic loss per share attributable to the ordinary equity holders of the Company	<u>(1.51)</u>	<u>(13.83)</u>

(b) Diluted loss per share

	Year ended	
	2020	2019
	Cents	Cents
Diluted loss per share attributable to the ordinary equity holders of the Company	<u>(1.51)</u>	<u>(13.83)</u>

Diluted loss per share is the same as basic loss per share. As at 30 June 2020 and 30 June 2019, the Company had no securities outstanding which have the potential to convert to ordinary shares and dilute the basic loss per share.

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22 Loss per share (continued)

(c) Weighted average number of shares used as denominator

	Year ended	
	2020 Number	2019 Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	41,018,108	41,018,108
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted loss per share	41,018,108	41,018,108

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**8IP Emerging Companies Limited
Directors' Declaration
For the year ended 30 June 2020**

In the opinion of the Directors of the Company:

- (a) the financial statements and notes set out on pages 16 to 40 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board; and
 - (iii) giving a true and fair view of the Company's financial position as at 30 June 2020 and of its performance for the 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.
- (c) The Directors have been provided with the declarations required by section 295A of the *Corporations Act 2001* by Link Fund Solutions, the Company's Administrator, declaring that:
- (i) the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001*;
 - (ii) the financial statements and notes for the financial year comply with the Australian Accounting Standards; and
 - (iii) the financial statements and notes for the financial year give a true and fair view.

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



Jonathan Sweeney
Independent Chairman

Sydney
26 August 2020

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

Report on the Audit of the Financial Report

Qualified Opinion

We have audited the financial report of 8IP Emerging Companies Limited ("the Company"), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, except for the matter referred to in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of 8IP Emerging Companies Limited is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Company's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Qualified Opinion

The Company's investment in Fremantle Octopus Group Limited, is being carried at its acquisition cost of \$999,999 on the statement of financial position as at 30 June 2020 and is classified as a level 3 investment as a result of there being limited observable inputs. As disclosed in Note 4(a) Fair value hierarchy, the Directors have noted a lack of additional available information on which to assess or base a change in the fair value of the investment in Fremantle Octopus Group Limited. Due to a lack of observable market or other data we were unable to satisfy ourselves by alternative means concerning the carrying value of that investment. Since the valuation of investments enters into the determination of the financial position of the Company, we were unable to determine whether adjustments might have been necessary in respect of net unrealised gains/(losses) on financial instruments at fair value through profit or loss for the year reported in the statement of comprehensive income, and the Financial assets at fair value through profit or loss on the statement of financial position.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of the Company, would be on the same terms if given to the Directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Emphasis of Matter Regarding the Non-Going Concern Basis of Preparation in Prior year

We draw attention to Note 2(a) of the financial report, which explains that in prior year they had been prepared on a non-going concern basis, as the Board intended, subject to not receiving a superior offer, to sell all the Company's assets and return the proceeds to shareholders then proceed with the winding up and deregistration of the Company. As at the date of preparing these financial statements, and in the context of the agreement with Lanyon to recapitalise the Company, these financial statements have been prepared on a going concern basis of accounting.

We also draw your attention to Note 20 of the financial report, which notes that the Company paid to shareholders a fourth distribution of the capital return of \$0.02 per share on 11 August 2020, which has resulted in a \$820,362 reduction in the Company's cash balance and net assets from that reported in these 30 June 2020 financial statements.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Existence and valuation of Financial Assets	
Refer to Note 10: Current assets – Financial assets at fair value through profit or loss	
<p>We focused our audit effort on the valuation and existence of the Company's financial assets as they are its largest asset and represent the most significant driver of the Company's Net Tangible Assets and Profits.</p> <p>As at 30 June 2020 financial assets were valued at \$1,413,316 (2019:12,876,074).</p> <p>Of these assets, \$413,317 were classified as "Level 1" financial instruments, in accordance with classifications under Australian Accounting Standards, as their valuation is based on quoted prices in active markets.</p> <p>The remaining \$999,999 was classified as a "Level 3" financial instrument, in accordance with classifications under Australian Accounting Standards, as its valuation involves significant judgement as there are no observable market inputs for use in valuing this investment.</p> <p>As the Company's investments are in an unlisted company and a small ASX listed company, there is significant management judgement in evaluating the fair value of any significant holding in those entities, particularly as the Company has stated its intention to sell its entire portfolio.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> ▪ Obtaining an understanding of the investment management process and controls; ▪ Reviewing and evaluating the independent auditor's report on internal controls (ASAE 3402 Assurance Reports on Controls at a Service Organisation) for the Administrator and the Custodian; ▪ Obtaining a confirmation of the investment holdings directly from the Custodian; ▪ Assessing the Company's valuation of individual investment holdings to independent pricing sources for Level 1 investments. For the Level 3 investment where there was no observable market data, obtaining and assessing other relevant valuation data; ▪ Evaluating the accounting treatment of revaluations of financial assets for current/deferred tax and unrealised gains or losses; ▪ Assessing the adequacy of disclosures in the financial statements.

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

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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

Auditor's Responsibilities for the Audit of the Financial Report (Continued)

- Conclude on the appropriateness of the Directors' basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 13 of the Directors' Report for the year ended 30 June 2020. In our opinion, the Remuneration Report of 8IP Emerging Companies Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



S M Whiddett
Partner

26 August 2020



Pitcher Partners
Sydney

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8IP Emerging Companies Limited
Shareholder information

The Shareholder information set out below was applicable as at 31 July 2020.

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report, is listed below.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

Holding	Class of equity security Ordinary shares		
	No. of Shareholders	Shares	Percentage
1 - 1000	15	4,158	0.01
1,001 - 5,000	36	134,928	0.33
5,001 - 10,000	41	349,776	0.85
10,001 - 100,000	224	8,868,574	21.62
100,001 and over	37	31,660,672	77.19
	353	41,018,108	100.00

There were 10 holders of less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name	Ordinary shares	
	Number held	Percentage of issued shares
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,289,117	15.33
NATIONAL NOMINEES LIMITED	5,629,447	13.72
DAWNEY & CO LTD	3,674,109	8.96
AURORA FUNDS MANAGEMENT LIMITED <AOD A/C>	2,090,000	5.10
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,912,852	4.66
DMX CAPITAL PARTNERS LIMITED	1,588,084	3.87
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	1,435,722	3.50
MARENNE PTY LTD	1,250,000	3.05
BNP PARIBAS NOMS PTY LTD <DRP>	1,125,000	2.74
BOND STREET CUSTODIANS LIMITED <WILLIM - V21664 A/C>	750,000	1.83
DAVID HUGH CAMPBELL ABBOTT	597,000	1.46
BUZZ MONTY PTY LTD <THE SAVAGE A/C>	525,000	1.28
31 MAY PTY LTD	390,255	0.95
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	352,734	0.86
MR ROBERT ROUX	307,500	0.75
GREEN ACTIVIST RETIREMENT FUND PTY LTD <GREEN ACTIVIST RET FUND A/C>	304,000	0.74
STRATAGEMS PTY LTD <THE GRANT PERSONAL SUPER A/C>	300,000	0.73
MR STEVE GREEN	266,108	0.65
MR GERARDO BARRANQUERO <THE REDCOMP SUPER A/C>	250,000	0.61
MR STEVE ANDREW GREEN	232,923	0.57
	29,269,851	71.36

C. Substantial holders

There are currently 4 substantial Shareholders of 8IP Emerging Companies Limited.

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

Each share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

E. Stock Exchange Listing

Quotation has been granted for all of the ordinary shares and options of the Company on all Member Exchanges of the ASX Limited.

F. Unquoted Securities

There are no unquoted shares.

G. Securities Subject to Voluntary Escrow

There are no securities subject to voluntary escrow.

H. On-Market Buy-Back

There is no current on-market buy-back.

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