



SPHERIA EMERGING COMPANIES LIMITED
ABN 84 621 402 588

INTERIM FINANCIAL REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2017

INTERIM FINANCIAL REPORT FOR THE PERIOD ENDED 31 DECEMBER 2017

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Corporate Directory

This Interim Financial Report does not include all the notes of the type normally included in an Annual Financial Report. Accordingly, this report is to be read in conjunction with any public announcements made by the entity during the interim reporting period.

Directors' Report

The Directors of Spheria Emerging Companies Limited ("the Company") present their report together with the interim financial report of the Company for the period ended 31 December 2017.

Spheria Emerging Companies Limited is a company limited by shares and is incorporated in Australia.

DIRECTORS

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

- Mr Jonathan Trollip (Chairman)
- Ms Lorraine Berends
- Mr Adrian Whittingham
- Mr Alex Ihlenfeldt (Alternate for Mr Whittingham)

PRINCIPAL ACTIVITY

The principal activity of the Company is to provide shareholders the opportunity to invest in an actively managed equities portfolio that provides exposure to Australian Small Cap Securities. There have been no significant changes in the nature of these activities during the period.

REVIEW OF OPERATIONS

The Company was incorporated on 30 August 2017 and was listed on the ASX on 5 December 2017. During the reporting period, the Company raised capital of \$132,675,090 by issuing 66,337,545 shares at a price of \$2.00 per share.

The Company offers investors access to an actively managed portfolio, predominantly comprised of Australian Small Cap Securities, which aims to outperform its Benchmark S&P/ASX Small Ordinaries Accumulation Index over each full investment cycle, which the Company's Investment Manager considers to typically be 3 to 5 years. The investment strategy aims to provide total returns in excess of the benchmark, and capital growth.

Activities for the period ended 31 December 2017 resulted in an operating profit before tax of \$4,242,000 and an operating profit after tax of \$2,969,000.

PERFORMANCE

As the Company has only been in operation for a very short period of time, analysis of its performance at this early stage is of limited value. However, in the interests of keeping shareholders fully informed, we have reported the Company's performance results below. We consider that it is useful to analyse performance from three different perspectives:

(a) Investment Portfolio Performance

The Company's investment portfolio performance shows how the Manager has performed after deducting management fees and costs¹, as compared to the Company's investment objectives.

Investment Portfolio Performance as at 31 December 2017 ²	Since Inception	Benchmark	Excess
Total return	3.5%	2.9%	0.6%

¹ Inclusive of the net impact of GST and Reduced Input Tax Credits.

² Past performance is not a reliable indicator of future performance. Performance is quoted in AUD net of portfolio related fees, costs and taxes.

SPHERIA EMERGING COMPANIES LIMITED
DIRECTORS REPORT
31 DECEMBER 2017

(b) NTA Performance

This measure of Company performance shows the change in the value of the Net Tangible Assets (NTA) belonging to shareholders over the period after deducting management fees and other expenses paid and tax on earnings (including on realised gains but excluding any provision for tax on unrealised gains, capitalised share issue costs and income tax losses).

The Company's NTA Performance from inception to 31 December 2017 was **3.2%**. The Company's pre-tax NTA per share was \$2.064 at 31 December 2017 compared to its pre-tax NTA per share at inception of \$2.00.

(c) TSR Performance

Total Shareholder Return (TSR) Performance is a measure of the change in the share price and any dividends paid during the period. The TSR Performance can be an important measure as often the share market can trade at a premium or discount to the NTA.

The Company's TSR Performance was **-1.0%** for the period ended 31 December 2017. The Company's share price was \$1.98 as at 31 December 2017 compared to its listing price of \$2.00 at 5 December 2017, with no dividends being paid during this period.

DIVIDENDS

No dividends were paid or declared during the period and up to the date of this report.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Apart from the above, there were no significant changes to the state of affairs of the Company during the period.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

No matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

ROUNDING OF AMOUNTS

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 6 and forms part of the Directors' Report for the period ended 31 December 2017.

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



Jonathan Trollip
Chairman

Sydney
28 February 2018

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF SPHERIA EMERGING COMPANIES LIMITED
ABN 84 621 402 588**

In relation to the independent auditor's review for the period ended 31 December 2017, to the best of my knowledge and belief there have been:

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

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



SCOTT WHIDDETT
Partner

PITCHER PARTNERS
Sydney

28 February 2018

SPHERIA EMERGING COMPANIES LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
31 DECEMBER 2017

Statement of Profit or Loss and Other Comprehensive Income

For the period 30 August 2017 to 31 December 2017

	Note	31 Dec 2017 \$'000
Revenue	2	4,571
Performance fees		(148)
Management fees		(117)
ASX and share registry fees		(25)
Professional fees		(12)
Directors fees		(16)
Other expenses		(11)
Profit before income tax		4,242
Income tax expense		(1,273)
Net profit after income tax for the period		2,969
Other comprehensive income for the period net of tax		-
Total comprehensive income for the period attributable to shareholders		2,969

Earnings per share for profit attributable to ordinary equity holders of the Company:		Cents
Basic and diluted earnings per share *	9	21.2

* The basic and diluted earnings per share would be 8.5 cents per share if calculated from the date of allotment of shares for the Company's listing on the ASX instead of the Company's date of incorporation.

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements.

SPHERIA EMERGING COMPANIES LIMITED
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

Statement of Financial Position

As at 31 December 2017

	Note	31 Dec 2017 \$'000
Assets		
Cash and cash equivalents		32,223
Trade and other receivables	4	4,108
Financial assets at fair value through profit and loss	3	101,517
Deferred tax assets		1,215
		139,063
Total Assets		
Liabilities		
Trade & other payables		931
Deferred tax liabilities		2,488
		3,419
Total Liabilities		
Net Assets		135,644
Equity		
Contributed equity	5	132,675
Retained profits reserve		2,969
Retained earnings		-
		135,644
Total Equity		135,644

The above Statement of Financial Position should be read in conjunction with the Notes to the Financial Statements.

SPHERIA EMERGING COMPANIES LIMITED
STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2017

Statement of Changes in Equity

For the period 30 August 2017 to 31 December 2017

	Note	Contributed Equity \$'000	Profits Reserve \$'000	Retained Earnings \$'000	Total \$'000
Balance at 30 August 2017		-	-	-	-
Comprehensive income					
Profit for the period		-	-	2,969	2,969
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	2,969	2,969
Transfer between reserves					
Transfer to profits reserve		-	2,969	(2,969)	-
Total transfer between reserves		-	2,969	(2,969)	-
Transactions with owners in their capacity as owners					
Proceeds from shares issued on initial public offering	5	132,675	-	-	132,675
		132,675	-	-	132,675
Balance at 31 December 2017		132,675	2,969	-	135,644

The above Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements.

SPHERIA EMERGING COMPANIES LIMITED
STATEMENT OF CASH FLOWS
31 DECEMBER 2017

Statement of Cash Flows

For the period 30 August 2017 to 31 December 2017

	31 Dec 2017 \$'000
Cash Flows from Operating Activities	
Payments to suppliers	(72)
Net cash used in operating activities	(72)
Cash Flows from Investing Activities	
Payment for investments	(96,906)
Net cash used in investing activities	(96,906)
Cash Flows from Financing Activities	
Shares issued on initial public offering	132,675
Share issue transaction costs paid	(3,474)
Net cash provided by financing activities	129,201
Net increase in cash and cash equivalents	32,223
Cash at beginning of the financial period	-
Cash at the end of the financial period	32,223

The above Statement of Cash Flows should be read in conjunction with the Notes to the Financial Statements

Notes to the Financial Statements

For the period ended 31 December 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Company was incorporated on 30 August 2017. The Company allotted 66,337,545 shares at \$2.00 per share. Quotation of the Company's securities commenced on the Australian Securities Exchange ("ASX") on 5 December 2017.

The interim financial statements were authorised for issue on 28 February 2018 by the Board of Directors.

Basis of preparation

These interim financial statements for the period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

As these financial statements do not include all of the disclosures normally provided in a set of annual financial statements, it is recommended that this interim financial report be read in conjunction with any public announcements made by the entity during the interim reporting period.

In accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, the amounts in the directors' report and in the financial report have been rounded to the nearest one thousand dollars, or in certain cases, to the nearest dollar (where indicated).

Significant accounting policies

Significant accounting policies adopted in the preparation of the financial statements are presented below and have been consistently applied unless stated otherwise:

(a) Investments

(i) Classification

The category of financial assets comprises:

Financial assets designated at fair value through profit and loss

These include financial assets that may be sold, such as investments in listed equity securities, and their fair value changes are recorded in profit and loss.

(ii) Recognition and measurement

Financial assets at fair value through profit and loss are recognised initially at cost on trade date at which the Company becomes party to the contractual provisions of the instrument. Subsequent to initial recognition, all financial assets held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of profit or loss.

SPHERIA EMERGING COMPANIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Investments (continued)

(iii) Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

(iv) Valuation

All investments are classified and measured as being at fair value. Shares that are listed or traded on an exchange are fair valued using last sale prices, as at the close of business on the day the shares are being valued. If a quoted market price is not available on a recognised security exchange, the fair value of the instruments are estimated using valuation techniques, which include the use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

(b) Reimbursement right

The Company's right to be reimbursed for the offer costs of its listing on the ASX under its agreement with the investment manager (refer note 4) is included as a receivable asset within the statement of financial position at cost. Fees foregone by the investment manager under the agreement are recognised as a reduction in the receivable asset as they are expensed.

(c) Revenue

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

Dividend income is recognised in the profit or loss on the day on which the relevant investment is first quoted on an "ex-dividend" basis.

(d) Expenses

All expenses, including performance fees and investment management fees, are recognised in the statement of profit or loss on an accrual basis.

(e) Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amounts of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

SPHERIA EMERGING COMPANIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Income tax (continued)

Deferred tax assets and deferred tax liabilities can be presented as a net balance in the statement of financial position when:

- the Company has a legally enforceable right to offset its current tax assets and current tax liabilities; and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), unless GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other payables in the statement of financial position.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, 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.

(h) Trade receivables

Trade and other receivables relate to outstanding settlements as well as accrued income in relation to interest and dividends receivable. Trade receivables are generally due for settlement within 30 days.

(i) Trade and other payables

These amounts represent liabilities for outstanding settlements as well as services provided to the Company prior to the end of the financial period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(j) Share capital

Ordinary shares are classified as equity..

(k) Profits reserve

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

(l) 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;
- by the weighted average number of ordinary shares outstanding during the financial period adjusted for bonus elements in ordinary shares issued during the period and excluding treasury shares.

SPHERIA EMERGING COMPANIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(I) 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 (e.g. options on issue and in the money).

New and revised accounting requirements applicable to the current reporting period

There are no new and revised accounting requirements significantly affecting these interim financial statements. The accounting policies have been consistently applied by the Company throughout the reporting period.

Prior period balances

The Company was incorporated on 30 August 2017, and therefore no prior period balances are disclosed for the half-year period ended 31 December 2016.

NOTE 2 REVENUE

	31 Dec 2017
	\$'000
Interest income	68
Gains / (losses) on financial instruments held at fair value through profit and loss	4,503
Total revenue	4,571

NOTE 3 FAIR VALUE MEASUREMENTS

The Company measures and recognises its investments on a recurring basis.

(a) **Fair value hierarchy**

AASB 13: Fair Value Measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- (i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- (ii) 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
- (iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

SPHERIA EMERGING COMPANIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

NOTE 3 FAIR VALUE MEASUREMENTS (continued)

(a) Fair value hierarchy (continued)

Recognised fair value measurements

The following tables present the Company's assets and liabilities measured and recognised at fair value in the financial statements.

31 December 2017	Level 1	Level 2	Level 3	Total
Assets	\$'000	\$'000	\$'000	\$'000
Australian and New Zealand Listed Equities	101,517	-	-	101,517
Total assets	101,517	-	-	101,517

The amount included in Level 1 of the hierarchy represents listed investments. The fair value of these financial assets has been based on the closing quoted last prices at the end of the reporting period, excluding transaction costs.

There were no transfers between levels for recurring fair value measurements during the period.

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.

The carrying amounts of all financial instruments other than those measured at fair value on a recurring basis are considered to represent a reasonable approximation of their fair values.

NOTE 4 TRADE AND OTHER RECEIVABLES

	31 Dec 2017
	\$'000
Interest receivable	68
GST receivable	240
Reimbursement right receivable	3,721
Other receivables	79
Total trade and other receivables	4,108

Reimbursement right receivable

The Company has entered into an agreement with the investment manager, Spheria Asset Management Limited ("Manager"), to recoup from the Manager the offer costs relating to the listing of the Company on the ASX. Under the agreement the Manager has agreed to:

- (a) forego performance fees from the date of listing until the end of the first 4 full calendar years from listing (i.e. by 31 December 2021) or until such time as the Company has recouped all of the offer costs (whichever is earlier); and
- (b) if the Offer costs are not fully recouped during the first four full calendar years after listing (i.e. by 31 December 2021), the Manager will forego management fees that accrue after this time (i.e. in respect of the period commencing 1 January 2022) until the Company has recouped all of the offer costs. The Manager will be entitled to receive performance fees during this period.

SPHERIA EMERGING COMPANIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

NOTE 4 TRADE AND OTHER RECEIVABLES (continued)

Reimbursement right receivable (continued)

The offer costs incurred during the period were \$3,869,000. The right to recoup offer costs under the agreement resulted in the recognition of a receivable for \$3,869,000, less performance fees crystallised and expensed during the period of \$148,000, leaving a balance of reimbursement right receivable at balance date of \$3,721,000.

NOTE 5 MOVEMENTS IN CONTRIBUTED EQUITY

Date	Details	Number of shares	Price	\$'000
30 August 2017	Initial issue	1	\$1.00	-
5 December 2017	Shares issued under the IPO	66,337,545	\$2.00	132,675
31 December 2017		66,337,546		132,675

The Company was incorporated on 30 August 2017 and was listed on the ASX on 5 December 2017. During the reporting period, the Company raised capital of \$132,675,090 by issuing 66,337,545 ordinary shares at a price of \$2.00 per share. The offer costs in relation to the listing of shares on the ASX are to be recouped from the investment manager (refer note 4).

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

NOTE 6 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The Company has no known contingent liabilities or contingent assets.

NOTE 7 DIVIDENDS

(a) Dividend paid

No dividend was paid during the period ended 31 December 2017.

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

No dividend has been declared since the period end.

(c) Dividend franking account

The balance of the Company's dividend franking account at 30 June 2017 was \$nil.

NOTE 8 CONTINGENCIES AND COMMITMENTS

The Company had no material contingent liabilities or commitments as at 31 December 2017.

SPHERIA EMERGING COMPANIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2017

NOTE 9 EARNINGS PER SHARE

(a) Earnings used in the calculation of basic and diluted earnings per share	31 Dec 2017 \$'000
Profit / (loss) from continuing operations attributable to the owners of the Company	2,969
(b) Basic and diluted earnings per share	31 Dec 2017 Cents
Basic earnings per share	21.2
Diluted earnings per share	21.2
(c) Weighted average number of ordinary shares used in the calculation of earnings per share	31 Dec 2017* Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	14,022,571
Adjustments for calculation of diluted earnings per share	-
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	14,022,571

* the weighted average number of shares is calculated from 30 August 2017 (the date of the Company's incorporation) to 31 December 2017. The Company was incorporated with 1 issued share and was listed on the ASX on 5 December 2017, issuing 66,337,545 shares. The weighted average number of shares is therefore lower than the number of shares issued in the initial public offering.

The basic and diluted earnings per share would be 8.5 cents per share if calculated from the date of allotment of shares for the Company's listing on the ASX instead of the Company's date of incorporation.

NOTE 10 SEGMENT INFORMATION

The Company has only one reportable segment. The Company is engaged solely in investment activities in Australia.

NOTE 11 EVENTS OCCURRING AFTER BALANCE DATE

The Directors are not aware of any matter or circumstance which has arisen since balance date 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.

SPHERIA EMERGING COMPANIES LIMITED
DIRECTORS' DECLARATION
31 DECEMBER 2017


Directors' Declaration

The Directors declare that the Financial Statements and Notes as set out on pages 6 to 16 are in accordance with the *Corporations Act 2001*, including:

- (a) complying with Accounting Standard AASB134 Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- (b) giving a true and fair view of the Company's financial position as at 31 December 2017 and of its performance for the period ended on that date.

In the Directors' opinion there are reasonable grounds to believe that Spheria Emerging Companies Limited will be able to pay its debts as and when they become due and payable.

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



Jonathan Trollip
Chairman

Sydney
28 February 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SPHERIA EMERGING COMPANIES LIMITED
ABN 84 621 402 588**

Report on the Interim Financial Report

We have reviewed the accompanying interim financial report of Spheria Emerging Companies Limited ("the company") which comprises the statement of financial position as at 31 December 2017, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period from incorporation to 31 December 2017, a statement of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

Directors' Responsibility for the Interim Financial Report

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

Auditor's Responsibility

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

A review of the interim financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF SPHERIA EMERGING COMPANIES LIMITED
ABN 84 621 402 588**

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Spheria Emerging Companies Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the entity's financial position as at 31 December 2017 and of its performance for the period since incorporation to that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



SCOTT WHIDDETT
Partner

28 February 2018



PITCHER PARTNERS
Sydney

SPHERIA EMERGING COMPANIES LIMITED

CORPORATE DIRECTORY

Board of Directors

Jonathan Trollip
Independent Chairman

Lorraine Berends
Independent Director

Adrian Whittingham
Non-Independent Director

Alexander Ihlenfeldt
Alternate Non-Independent Director

Secretary

Calvin Kwok

Manager

Spheria Asset Management Pty Limited
A.C.N. 611 081 326
Level 35
60 Margaret Street
SYDNEY NSW 2000
Fax: +61 (0) 2 8970 7799
Toll Free: 1300 010 311

ASX Code

SEC - Ordinary Shares

Lawyers

Kardos Scanlon
Level 5
151 Castlereagh Street
Sydney NSW 2000
Tel: +61 (0) 2 9146 5290
Fax: +61 (0) 2 9146 5299
www.kardosscanlan.com.au

Auditors

Pitcher Partners
Level 22
MLC Centre
19 Martin Place
Sydney NSW 2000
Tel: +61 (0) 2 9221 2099
Fax: +61 (0) 2 9223 1762
www.pitcher.com.au

Share Register

Automic Pty Limited
Level 3, 50 Holt Street
Surry Hills NSW 2010
Toll Free: 1300 288 664
International: +61 (0) 2 9698 5414
www.automic.com.au

Registered Office

Level 35
60 Margaret Street
Sydney NSW 2000
Tel: 1300 010 311

Website Address

<http://www.spheria.com.au/spheria-emerging-companies-limited/>