



ECP EMERGING GROWTH LIMITED

(Formerly Barrack St Investments Limited)

INTERIM FINANCIAL REPORT

For the Half-Year Ended 31 December 2019

CONTENTS

Directors report

Auditors Independence Report

Financial Statements

Directors Declaration

Auditors Review Report

ECP Emerging Growth Limited
ACN 167 689 821

Suite 305, Level 3
343 George Street
Sydney NSW 2000
AUSTRALIA

Tel: 1800 352 474
Fax: +61 2 8651 6899
Email: info@ecpam.com

DIRECTORS' REPORT

Your Directors submit the Interim Financial Report of ECP Emerging Growth Limited, formerly Barrack St Investments Limited, (the "Company") for the half-year ended 31 December 2019.

DIRECTORS

The following persons were Directors of ECP Emerging Growth Limited since 30 June 2019 and up to the date of this report, unless stated otherwise.

- Mr Murray d'Almeida (Chairman)
- Mr David Crombie AM
- Mr Jared Pohl

PRINCIPAL ACTIVITY

The principal activity of the Company is investing in a diversified portfolio of small to mid-cap companies listed on the Australian Securities Exchange. There have been no significant changes in the nature of this activity during the period.

REVIEW OF OPERATIONS

During the last six months, realised gains on the sale of investments amounted to \$1,034,853 which is a \$567,682 increase on last year and after accounting for the unrealised gains in the portfolio and expenses, the Net Profit after Tax amounted to \$1,923,958.

During the period dividends in the amount of \$190,552 were received, this is a decrease of \$55,437 on the prior year. The reduced dividends are the product of a change in the portfolio of investments with dividend yield from Magellan Financial Group (FY19 \$46,854) a large portion of the year-on-year decrease.

Compared to the volatility of last year the Australian equities market was very stable through the first six months of the 2019/2020 financial year. Quarterly gains in the ASX All Ordinaries index were minor while the Company's portfolio performed extremely well increasing by 14.0% over the period.

Portfolio Performance

	1 st Qtr to Sept 19	2 nd Qtr to Dec 19	6 mths to Dec 2019	12 mths to Dec 2019	Since Inception (23 Jan 2014) p.a.
Portfolio	10.3%	3.5%	14.0%	41.8%	15.2%
ASX All Ordinaries	1.5%	0.0%	1.5%	19.1%	3.6%

Due to the performance noted above Net Assets of the Company at 31 December 2019 compared to 30 June 2019 have increased, from \$22,433,915 to \$23,945,717 and the NTA per share (tax on realised and unrealised gains) increased 6.7% from 122.5 cents to 130.7 cents after paying the FY19 final dividend of 2.25 cents per share in September 2019.

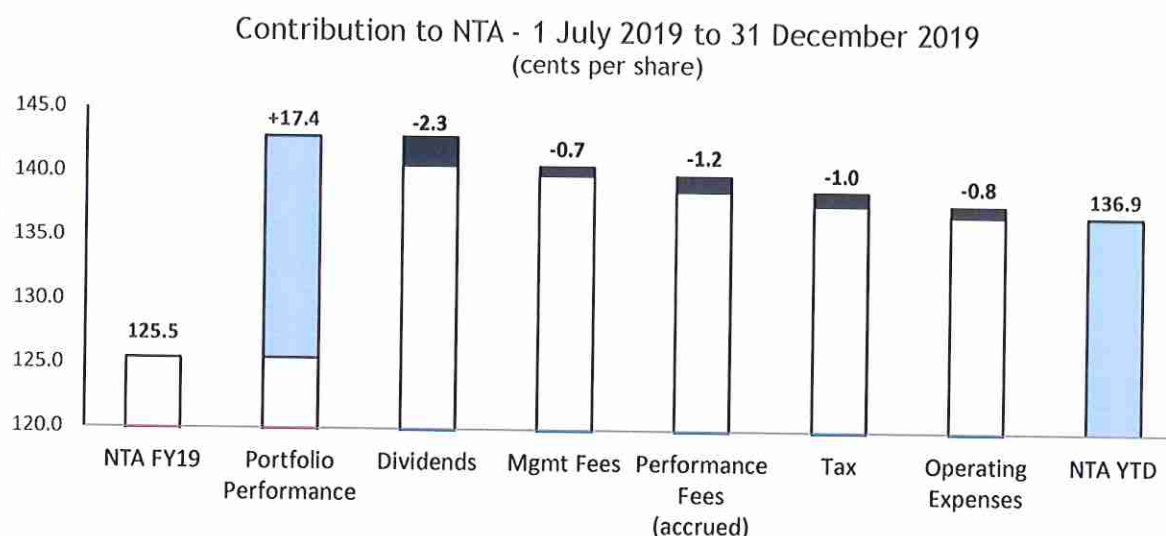
MARKET COMMENTARY

Australia has continued its world-beating 28 year run of economic growth; however, strains are beginning to appear with our economy currently growing at an annual rate of 1.7%. GDP growth has been stimulated primarily by population growth while productivity growth has languished. Government spending has provided a base during 2019 and will continue to do so, while growth in Sydney and Melbourne house prices have provided stability in this sector which will hopefully translate into additional home building in the future.

The new year started on a positive note as central banks are predicted to maintain easy monetary conditions favourable to the equities market, which should remain relatively buoyant with minimal "noise" emanating from the local political climate. The uncertainty lies in consumption expenditure and how the interplay between unemployment and wage growth will evolve, while the full impact of the Australian bushfires and Chinese Coronavirus outbreak is yet to be understood.

NET TANGIBLE ASSET BACKING

The net tangible asset backing (NTA) per share (tax on realised gains only) at 31 December 2019 was 136.9 cents per share compared with 125.5 at 30 June 2019. The graph below depicts the movement in NTA in terms of the contribution of the portfolio and outgoings in running the Company.



SIGNIFICANT CHANGES IN STATE OF AFFAIRS

At the AGM on the 18th November 2019 the Shareholders voted to change the name of Barrack St Investments Limited to ECP Emerging Growth Limited. The Board recommended the resolution on the basis that the change of name will help raise the profile and awareness of the Company by specifically referencing the investment manager and its expertise in selecting Australian growth companies.

DIVIDEND DECLARED

A fully franked interim dividend of 1.75 cents per share in respect to the half-year ended 31 December 2019 is to be paid on 20 March 2020. This compares to the interim dividend paid in March 2019 of 1.5 cents per share.

During the six-month period to December 2019 the Company's distribution to Shareholders by way of final dividend for the 2019 financial year amounted to \$412,156 and was paid in September 2019.

CAPITAL GAINS COMPONENT OF DIVIDEND

The capacity of the Company to continue to facilitate access to the capital gain benefit of the dividend, will depend on the Company's capacity to generate capital profits.

AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's Independence Declaration under section 307C of the *Corporations Act 2001* is set out on page 4 and forms part of the Directors' Report for the half-year ended 31 December 2019.

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

Murray d'Almeida

Chairman

SYDNEY

26 February 2020



**ECP EMERGING GROWTH LIMITED
(FORMERLY BARRACK ST INVESTMENTS LIMITED)
ABN 30 167 689 821**

**AUDITOR'S INDEPENDENCE DECLARATION UNDER
SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ECP EMERGING GROWTH LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2019, there have been:

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

WPIAS Pty Ltd
Authorised Audit Company No. 440306

LEE-ANN DIPPENAAR BCom CPA RCA

Dated this 26th day of February 2020

t: (07) 5580 4700
a: HQ @ Robina, Suite 41, Level 4, 58 Riverwalk Avenue, Robina QLD 4226
p: HQ @ Robina, Suite 41, Level 4, 58 Riverwalk Avenue, Robina QLD 4226
e: info@wpias.com.au
w: www.wpias.com.au

WPIAS Pty Ltd ABN 99 163 915 482

WPIAS is an Authorised Audit Company and a Limited Partnership
Liability limited by a scheme approved under Professional Standards Legislation

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Half-Year Ended 31 December 2019

	Note	31 Dec 2019 \$	31 Dec 2018 \$
Revenue	2	190,566	246,157
Net cumulative gain on sale of financial assets at fair value		1,034,853	467,171
Net unrealised gains on financial assets at fair value		1,959,559	(1,994,729)
Other Expenses		(485,369)	(257,485)
Profit/(Loss) before income tax		2,699,609	(1,538,886)
Income tax (expense)/benefit		(775,651)	276,906
Net Profit/(Loss) after income tax for the half-year		1,923,958	(1,261,980)
<i>Other Comprehensive Income</i>			
Items that will not be reclassified to profit or loss			
Changes in fair value of Financial Assets at fair value through Other Comprehensive Income		-	-
Income tax (expense)/benefit relating to components of Other Comprehensive Income		-	-
Other Comprehensive Income/(Loss) for the half-year net of tax		-	-
Total Comprehensive Income/(Loss) for the half-year ¹		1,923,958	(1,261,980)

¹ This is the Company's Net Return for the half-year, which includes the Net Operating Profit plus the net realised and unrealised gains or losses on the Company's investment portfolio.

Earnings per share:	Cents	Cents
Basic earnings per share based on net profit/(loss)	10.50	(6.89)
Diluted earnings per share based on net profit/(loss)	10.50	(6.89)
Comprehensive Earnings/(Loss) per share	10.50	(6.89)

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

CONDENSED STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	31 Dec 2019 \$	30 June 2019 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		2,808,835	3,440,010
Trade and Other Receivables		33,964	32,173
TOTAL CURRENT ASSETS		2,842,799	3,472,183
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	4	23,141,935	20,499,031
TOTAL NON-CURRENT ASSETS		23,141,935	20,499,031
TOTAL ASSETS		25,984,734	23,971,214
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		245,725	519,658
Current Tax Liabilities		657,682	469,181
TOTAL CURRENT LIABILITIES		903,407	988,839
NON-CURRENT LIABILITIES			
Deferred Tax Liability		1,135,610	548,460
TOTAL NON-CURRENT LIABILITIES		1,135,610	548,460
TOTAL LIABILITIES		2,039,017	1,537,299
NET ASSETS		23,945,717	22,433,915
EQUITY			
Issued Capital	5	17,952,246	17,952,246
Reserves		-	-
Retained Earnings		5,993,471	4,481,669
TOTAL EQUITY		23,945,717	22,443,915

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

CONDENSED STATEMENT OF CHANGES IN EQUITY

For the Half-Year Ended 31 December 2019

2018	Note	Ordinary Shares	Retained Earnings	Asset Revaluation Reserve	TOTAL
		\$	\$	\$	\$
Balance at 1 July 2018		17,952,246	2,468,357	803,921	21,224,524
Profit/(Loss) for the half-year		-	(1,261,980)	-	(1,261,980)
Other Comprehensive Income		-	-	-	-
Transactions with Owners in their capacity as owners					
Dividends paid	3	-	(366,361)	-	(366,361)
Other					
Reclassification of available for sale financial assets to financial assets held at fair value through profit or loss.		-	803,921	(803,921)	-
Balance at 31 December 2018		17,952,246	1,643,937	-	19,596,183

2019	Note	Ordinary Shares	Retained Earnings	Asset Revaluation Reserve	TOTAL
		\$	\$	\$	\$
Balance at 1 July 2019		17,952,246	4,481,669	-	22,433,915
Profit/(Loss) for the half-year		-	1,923,958	-	1,923,958
Other Comprehensive Income		-	-	-	-
Transactions with Owners in their capacity as owners					
Dividends paid	3	-	(412,156)	-	(412,156)
Other					
Reclassification of available for sale financial assets to financial assets held at fair value through profit or loss.		-	-	-	-
Balance at 31 December 2019		17,952,246	5,993,471	-	23,945,717

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

CONDENSED STATEMENT OF CASH FLOWS

For the Half-Year Ended 31 December 2019

	31 Dec 2019 \$	31 Dec 2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	192,944	280,033
Interest received	14	168
Income Tax Refund	317	-
Other payments (inclusive of GST)	(763,802)	(454,616)
Net cash provided by/ (used in) operating activities	(570,527)	(174,415)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	5,481,114	8,905,115
Payment for investments	(5,129,606)	(8,555,097)
Net cash provided by/ (used in) investing activities	351,508	350,018
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(412,156)	(366,361)
Net cash (used in)/provided by financing activities	(412,156)	(366,361)
Net (decrease)/increase in cash and cash equivalents held	(631,175)	(190,758)
Cash and Cash Equivalents at beginning of the financial period	3,440,010	1,382,559
Cash and Cash Equivalents at the end of the financial period	2,808,835	1,191,801

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 1 BASIS OF PREPARATION

These general purpose Interim Financial Statements for the half-year reporting period ended 31 December 2019 have been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

ECP Emerging Growth Limited is a for-profit Company for financial reporting purposes under Australian Accounting Standards.

This Interim Financial Report is intended to provide users with an update on the latest annual financial statements of ECP Emerging Growth Limited (formerly Barrack St Investments Limited). As such it does not include all the Notes of the type normally included in an Annual Financial Report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial report.

It is recommended that this financial report be read in conjunction with the annual financial statements for the year ended 30 June 2019, together with any public announcements made by ECP Emerging Growth Limited during the half-year ended 31 December 2019 in accordance with the continuous disclosure requirements of the ASX listing rules.

The same accounting policies and methods of computation have been followed in this Interim Financial Report as were applied in the most recent annual financial statements.

These Interim Financial Statements were authorised for issue on 26 February 2020.

Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial period.

Changes in Accounting Policy

There are no changes in accounting policy that apply for the half-year ended 31 December 2019. Readers will note that in FY19 the classification of financial instruments changed from "Available for sale financial assets" to "Financial Assets at fair value Through profit or loss" in accordance with AASB 9.

New, Revised or Amending Accounting Standards and Interpretations Adopted

The Company has adopted all the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 2 REVENUE AND OTHER INCOME

	31 Dec 2019 \$	31 Dec 2018 \$
Dividends Received	190,552	245,989
Interest Received	14	168
Total Revenue	<u>190,566</u>	<u>246,157</u>

NOTE 3 DIVIDENDS

	31 Dec 2019 \$	31 Dec 2018 \$
Dividends paid during the half-year:		
- final dividend of 2.0 cents per share paid 21 September 2018 – fully franked	-	366,361
- final dividend of 2.25 cents per share paid 13 September 2019 – fully franked	412,156	-
	<u>412,156</u>	<u>366,361</u>

Since the end of the half-year, the Directors have declared an interim dividend of 1.75 cents per share 100% franked and payable on 20 March 2020.

NOTE 4 FAIR VALUE MEASUREMENTS

The following assets and liabilities are recognised and measured at fair value on a recurring basis:

Financial Assets at fair value through Profit or Loss.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be measured and disclosed using the three-level hierarchy:

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

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 4 FAIR VALUE MEASUREMENTS *(Continued)*

The following table sets out the Company's assets and liabilities that are measured and recognised at fair value in the financial statements.

Company – at 30 June 2019	Level 1	Level 2	Level 3	TOTAL
Assets	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements.				
Financial Assets at fair value through profit or loss -				
Listed Equity Securities	20,499,031	-	-	20,499,031
Total Financial Assets	20,499,031	-	-	20,499,031

Company – at 31 December 2019	Level 1	Level 2	Level 3	TOTAL
Assets	\$'000	\$'000	\$'000	\$'000
Recurring fair value measurements.				
Financial Assets at fair value through profit or loss -				
Listed Equity Securities	23,141,935	-	-	23,141,935
Total Financial Assets	23,141,935	-	-	23,141,935

There were no transfers during the year between Level 1 and Level 2 for recurring fair value measurements.

The Company's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused the transfer occurred.

Due to their short-term nature, the carrying amount of trade receivables and payables are assumed to approximate their fair values.

The carrying amount of current trade and other payables are assumed to approximate their fair values because the impact of discounting is not significant.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

NOTE 5 MOVEMENTS IN ISSUED CAPITAL

Date	Details	Number of shares	Price	Issued Capital \$
30 June 2018	Balance	18,318,043		18,322,898
	Nil Movement *	-		-
30 June 2019	Balance	18,318,043		18,322,898
	Nil Movement*	-		-
31 December 2019	Balance	18,318,043		18,322,898
<i>Adjust for</i>				
	Capital Raising Costs			529,503
	Capital Raising Costs – Tax Effect			(158,851)
	Net Capital Raising Costs (After Tax)			370,652
	Balance of Contributed Equity Per Balance Sheet			17,952,246

* The Dividend Reinvestment Plan was facilitated through on-market purchase of shares.

There were no shares issued during the period.

(a) 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 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 EVENTS OCCURRING AFTER REPORTING DATE

Since the end of the period, the Directors declared an interim dividend of 1.75 cents per share fully franked to be paid on 20 March 2020.

The Directors are not aware of any other 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 periods.

NOTE 8 OPERATING SEGMENTS

Segment Information

The Company operates solely in the investment industry. Its core business focuses on investing in Australian equities to achieve medium to long-term capital growth and income.

Operating segments have been determined on the basis of the reports reviewed by the Board. The Board considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Board considers the business to consist of just one reportable segment.

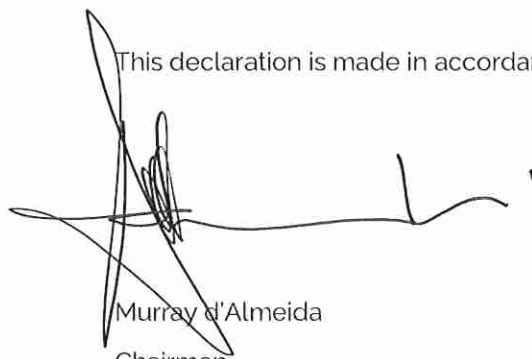
DIRECTORS' DECLARATION

The Directors declare that the Financial Statements and Notes as set out on pages 5 to 12 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 2019 and of its performance for the half-year ended on that date.

In the Directors' opinion, there are reasonable grounds to believe that ECP Emerging Growth 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.

A handwritten signature in black ink, appearing to be 'Murray d'Almeida', written over a horizontal line.

Murray d'Almeida
Chairman

SYDNEY

26 February 2020



For your peace of mind

**ECP EMERGING GROWTH LIMITED
(FORMERLY BARRACK ST INVESTMENTS LIMITED)
ABN 30 167 689 821**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ECP EMERGING GROWTH LIMITED**

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of ECP Emerging Growth Limited, which comprises the Condensed Statement of Financial Position as at 31 December 2019, the Condensed Statement of Profit or Loss and Other Comprehensive Income, the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the Directors' Declaration.

Directors' Responsibility for the Half-Year Financial Report

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

Auditors' Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the entity's financial position as at 31 December 2019 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of ECP Emerging Growth Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and 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.

Independence

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

t: (07) 5580 4700

a: HQ @ Robina, Suite 41, Level 4, 58 Riverwalk Avenue, Robina QLD 4226

p: HQ @ Robina, Suite 41, Level 4, 58 Riverwalk Avenue, Robina QLD 4226

e: info@wpias.com.au

w: www.wpias.com.au

WPIAS Pty Ltd ABN 99 163 915 482

WPIAS is an Authorised Audit Company and a Limited Partnership

Liability limited by a scheme approved under Professional Standards Legislation

**ECP EMERGING GROWTH LIMITED
(FORMERLY BARRACK ST INVESTMENTS LIMITED)
ABN 30 167 689 821**

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ECP EMERGING GROWTH LIMITED**

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of ECP Emerging Growth Limited is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of ECP Emerging Growth Limited's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

WPIAS Pty Ltd
Authorised Audit Company No. 440306



LEE-ANN DIPPENAAR BCom CA RCA

Dated this 26th day of February 2020

t: (07) 5580 4700
a: HQ @ Robina, Suite 41, Level 4, 58 Riverwalk Avenue, Robina QLD 4226
p: HQ @ Robina, Suite 41, Level 4, 58 Riverwalk Avenue, Robina QLD 4226
e: info@wpias.com.au
w: www.wpias.com.au

WPIAS Pty Ltd ABN 99 163 915 482

WPIAS is an Authorised Audit Company and a Limited Partnership
Liability limited by a scheme approved under Professional Standards Legislation



www.ecpam.com/emerging

REGISTERED OFFICE

ECP Emerging Growth Limited
ACN 167 689 821

Suite 305, Level 3
343 George Street
Sydney NSW 2000
AUSTRALIA

Tel: 1800 352 474
Fax: +61 2 8651 6899
Email: info@ecpam.com

SHARE REGISTRY

Boardroom Pty Limited

GPO Box 3993
SYDNEY NSW 2001

Toll Free: 1300 737 760
International: +61 (0) 2 9290 9600
Fax: +61 (0) 2 9279 0664

Email: enquiries@boardroomlimited.com.au