



ECP EMERGING GROWTH LIMITED

INTERIM FINANCIAL REPORT

For the Half-Year Ended 31 December 2020

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Directors' Report

Your Directors submit the Interim Financial Report of ECP Emerging Growth Limited (the "Company") for the half-year ended 31 December 2020.

Directors

The following persons were Directors of ECP Emerging Growth Limited since 30 June 2020 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 quality 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 \$3,695,348 which is a \$2,660,495 increase on last year. After accounting for the unrealised gains in the portfolio and expenses, the Net Profit after Tax amounted to \$5,519,536.

The significant increase is due to the exceptional investment performance over the last six months, which is illustrated in the table below. Building on the result of FY2020, the portfolio performance for the first half of FY2021 was a positive 34.2% compared to the ASX All Ordinaries Index of 14.2%. The outcome of the year to date performance being Total Assets growing to \$34,021,393 from \$27,195,294 at the end of June 2020.

Portfolio Performance

	6 mths to Dec 2020	12 mths to Dec 2020	2 years	5 years	Since Inception (23 Jan 2014) p.a.
ECP Portfolio	34.2%	44.4%	43.1%	18.3%	19.5%
ASX All Ordinaries	14.2%	0.7%	9.5%	5.1%	3.2%

Market Commentary

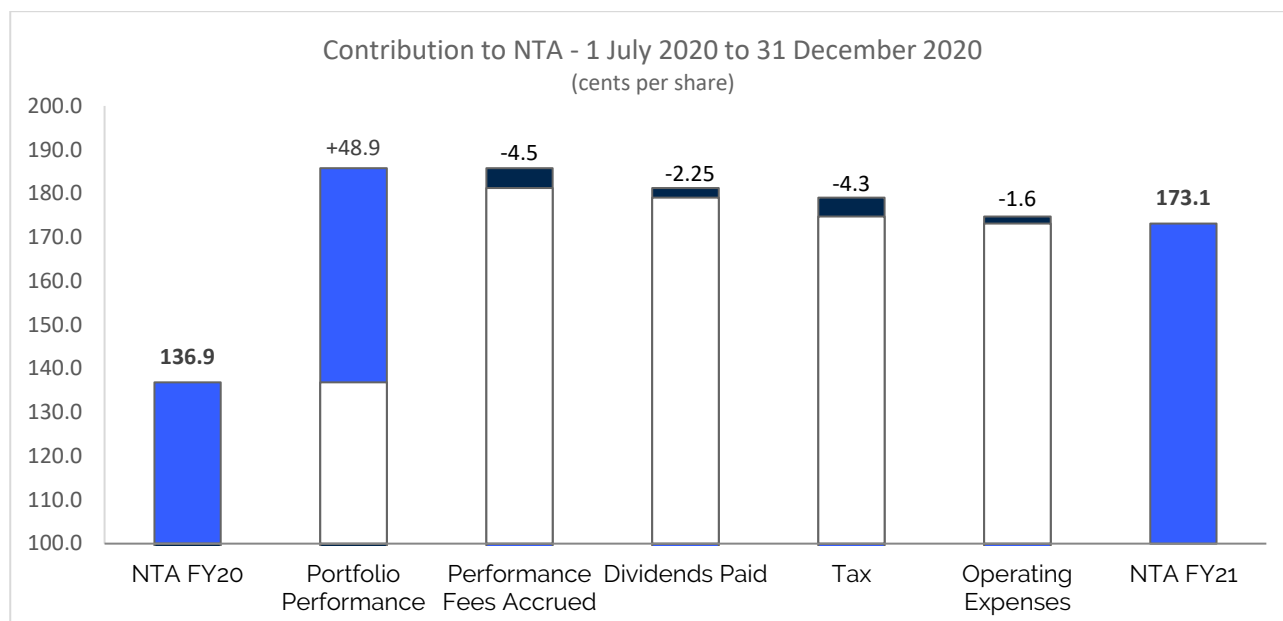
At the end of December 2020, the Australian economy was in a better position than was anticipated in the middle of the year. In simple terms, the COVID-19 support measures of Jobkeeper and Jobseeker have stimulated private consumption expenditure leading to a recovery in the economy and the recession caused by COVID-19 lockdowns.

A number of other factors have further supported the recovery including the stimulus measures, tax cuts and infrastructure spending released as part of the Federal budget, the positive progress in vaccine development and the outcome of the US election and subsequent US stimulus. The only shadow on Australian conditions remains the trade tensions with China which, for the moment, have not escalated further.

Globally, the outlook for 2021 is still uncertain. Positivity generated from the rollout of COVID-19 vaccinations and the northern hemisphere entering warmer months is hampered by cluster outbreaks and the unknown impact of new COVID strains. In Australia, it appears that policy makers will continue to support the economic recovery, with any health-related set-back to be met with further government spending. In a situation where Australia maintains low infection rates and the economic support contributes to lower unemployment and increase consumer and business confidence it could be a positive year for the Australian economy.

Net Tangible Asset Backing

The net tangible asset backing (NTA) per share (tax on realised gains only) at 31 December 2020 was 173.1 cents per share compared with 136.9 at 30 June 2020. 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

There have been no significant changes to the operations of the Company during the last six months.

Dividend Declared

A fully franked interim dividend of 2.0 cents per share in respect to the half-year ended 31 December 2020 to be paid on 12 March 2021. This represents a 14.3% increase to the interim dividend paid in March 2020 of 1.75 cents per share.

During the six-month period to December 2020 the Company's distribution to Shareholders by way of final dividend for the 2020 financial year amounted to \$412,156 - which included an ordinary dividend of 0.6 cents \$109,908 as well as a special dividend of 1.65 cents \$302,248 and was paid on 18 September 2020.

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.

The interim dividend will include an LIC capital gain component.

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 2020.

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

Murray d'Almeida
Chairman
SYDNEY
19 February 2021



**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 2020, 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.

CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888

A handwritten signature in black ink, appearing to read 'Lee-Ann Dippenaar'.

**LEE-ANN DIPPENAAR BCOM CA RCA
AUDIT PRINCIPAL**

Dated this 19th day of February 2021.

Condensed Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2020

	Note	31 Dec 2020 \$	31 Dec 2019 \$
Revenue	2	138,218	190,566
Net cumulative gain on sale of financial assets at fair value		3,695,348	1,034,853
Net unrealised gains on financial assets at fair value		5,128,438	1,959,559
Other Expenses		(1,120,588)	(485,369)
Profit/(Loss) before income tax		7,841,416	2,699,609
Income tax (expense)/benefit		(2,321,880)	(775,651)
Net Profit/(Loss) after income tax for the half-year		5,519,536	1,923,958
<i>Other Comprehensive Income</i>			
Other Comprehensive Income/(Loss) for the half-year, net of tax		-	-
Total Comprehensive Income/(Loss) for the half-year		5,519,536	1,923,958

Earnings per share:	Cents	Cents
Basic earnings per share based on net profit/(loss)	30.13	10.50
Diluted earnings per share based on net profit/(loss)	30.13	10.50
Comprehensive Earnings/(Loss) per share	30.13	10.50

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 2020

	Note	31 Dec 2020 \$	30 June 2020 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents		2,012,215	4,354,187
Trade and Other Receivables		23,890	81,100
TOTAL CURRENT ASSETS		2,036,105	4,435,287
NON-CURRENT ASSETS			
Financial assets at fair value through profit or loss	4	31,985,288	22,760,007
TOTAL NON-CURRENT ASSETS		31,985,288	22,760,007
TOTAL ASSETS		34,021,393	27,195,294
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables		869,746	1,003,727
Current Tax Liabilities		1,441,945	1,119,322
TOTAL CURRENT LIABILITIES		2,311,691	2,123,049
NON-CURRENT LIABILITIES			
Deferred Tax Liability		2,410,212	880,135
TOTAL NON-CURRENT LIABILITIES		2,410,212	880,135
TOTAL LIABILITIES		4,721,903	3,003,184
NET ASSETS		29,299,490	24,192,110
EQUITY			
Issued Capital	5	17,952,246	17,952,246
Retained Earnings		11,347,244	6,239,864
TOTAL EQUITY		29,299,490	24,192,110

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 2020

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)
Balance at 31 December 2019		17,952,246	5,993,471	-	23,945,717

2020	Note	Ordinary Shares	Retained Earnings	Asset Revaluation Reserve	TOTAL
		\$	\$	\$	\$
Balance at 1 July 2020		17,952,246	6,239,864	-	24,192,110
Profit/(Loss) for the half-year		-	5,519,536	-	5,519,536
Other Comprehensive Income		-	-	-	-
Transactions with Owners in their capacity as owners					
Dividends paid	3	-	(412,156)	-	(412,156)
Balance at 31 December 2020		17,952,246	11,347,244	-	29,299,490

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 2020

	31 Dec 2020 \$	31 Dec 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Dividends received	185,171	192,944
Interest received	989	14
Income tax (paid)/refund	(469,181)	317
Other payments (inclusive of GST)	(1,245,299)	(763,802)
Net cash provided by/(used in) operating activities	(1,528,320)	(570,527)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	8,857,501	5,481,114
Payment for investments	(9,258,997)	(5,129,606)
Net cash provided by/(used in) investing activities	(401,496)	351,508
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(412,156)	(412,156)
Net cash (used in)/provided by financing activities	(412,156)	(412,156)
Net (decrease)/increase in cash and cash equivalents held	(2,341,972)	(631,175)
Cash and Cash Equivalents at beginning of the financial period	4,354,187	3,440,010
Cash and Cash Equivalents at the end of the financial period	2,012,215	2,808,835

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 2020 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 2020, together with any public announcements made by ECP Emerging Growth Limited during the half-year ended 31 December 2020 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 19 February 2021.

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 2020.

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 2020 \$	31 Dec 2019 \$
Dividends Received	137,229	190,552
Interest Received	989	14
Total Revenue	<u>138,218</u>	<u>190,566</u>

NOTE 3 DIVIDENDS

	31 Dec 2020 \$	31 Dec 2019 \$
Dividends paid during the half-year:		
- final dividend of 2.25 cents per share paid 13 September 2019 – fully franked		412,156
- final dividend of 0.6 cents per share paid 18 September 2020 – fully franked	109,908	-
- special dividend of 1.65 cents per share paid 18 September 2020 – fully franked	302,248	-
	<u>412,156</u>	<u>412,156</u>

Since the end of the half-year, the Directors have declared an interim dividend of 2.0 cents per share. The Interim dividend is 100% franked and payable on 12 March 2021.

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 2020	Level 1	Level 2	Level 3	TOTAL
Assets	\$	\$	\$	\$
Recurring fair value measurements.				
Financial Assets at fair value through profit or loss -				
Listed Equity Securities	22,760,007	-	-	22,760,007
Total Financial Assets	22,760,007	-	-	22,760,007

Company – at 31 December 2020	Level 1	Level 2	Level 3	TOTAL
Assets	\$	\$	\$	\$
Recurring fair value measurements.				
Financial Assets at fair value through profit or loss -				
Listed Equity Securities	31,985,288	-	-	31,985,288
Total Financial Assets	31,985,288	-	-	31,985,288

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 2019	Balance	18,318,043		18,322,898
	Nil Movement*	-		-
30 June 2020	Balance	18,318,043		18,322,898
	Nil Movement*	-		-
31 December 2020	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 a fully franked interim dividend of 2.0 cents per share payable on 12 March 2021.

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.

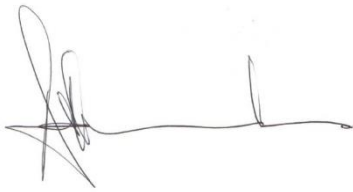
Directors' Declaration

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 2020 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 read 'Murray d'Almeida', with a long horizontal line extending to the right.

Murray d'Almeida

Chairman

SYDNEY

19 February 2021



**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 2020, 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 2020 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.

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**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 2020 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.

CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888

A handwritten signature in black ink, appearing to read 'Lee-Ann Dippenaar'.

LEE-ANN DIPPENAAR BCOM CA RCA
AUDIT PRINCIPAL

Dated this 19th day of February 2021.



www.ecpam.com/emerging

REGISTERED OFFICE

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ACN 167 689 821

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