

8IP Emerging Companies Limited

ABN 75 608 411 347

Appendix 4E

For the year ended 30 June 2021

Final Report

This final report is for the reporting period from 1 July 2020 to 30 June 2021. The previous corresponding year ended period was from 1 July 2019 to 30 June 2020.

Results for announcement to the market

				30 June 2021 \$		30 June 2020 \$
Investment (loss)/income from ordinary activities	Down	-141%	to	(105,805)	from	256,717
Loss before tax for the year	Down	-9%	to	(604,072)	from	(552,392)
Loss from ordinary activities after tax attributable to members	Up	3%	to	(604,072)	from	(620,671)

Dividends

There were no dividends paid during the years ended 30 June 2021 and 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 and a fourth distribution of capital of \$0.02 per share on 11 August 2020.

Net tangible assets ("NTA")

	30 June 2021 \$	30 June 2020* \$
Net tangible asset backing (per share) before tax	0.7462	0.0540
Net tangible asset backing (per share) after tax	0.7462	0.0523

*On 1 December 2020, the Company implemented a 41 to 1 share consolidation. If this occurred prior to 30 June 2020, the net tangible assets backing (per share) before tax and net tangible assets backing (per share) after tax would be \$2.214 and \$2.1443, respectively.

Brief explanation of results

Investment loss from ordinary activities of \$105,805 was down by 141% (2020: \$256,717 income).

Operating loss of \$604,072 before tax was down by 9% (2020: \$552,392 loss), with operating loss after tax of \$604,072 up by 3% (2020: \$620,671 loss).

As at the beginning of the year, the Company had 41,018,108 outstanding fully paid ordinary shares on issue. During the year, as part of the resolutions passed by the shareholders at the 13 November 2020 general meeting, the Company issued 6,152,716 placement shares (pre-consolidation) to Lanyon Asset Management Pty Ltd. As at 30 June 2021, the Company has 1,127,148 paid ordinary shares on issue, following the implementation of the 41 for 1 share consolidation on 1 December 2020.

NTA (per share) after tax was \$0.75 (post-consolidation) as at 30 June 2021 after capital return of \$0.02 per share on 11 August 2020 (30 June 2020: \$0.05). 8EC's latest available share price of \$0.03 for the year ended 30 June 2021 was on a pre-consolidation basis, and as at the date of suspension of the Company from official quotation on 15 October 2020.

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.

8IP Emerging Companies Limited

ABN 75 608 411 347

Annual Report

For the year ended 30 June 2021

8IP Emerging Companies Limited
Corporate directory

Directors	Ken Williams (Independent Non-Executive Chairman) (appointed 1 April 2021) Richard Willson (Independent Non-Executive Director) (appointed 1 April 2021) David Prescott (Non-Independent Non-Executive Director) Jonathan Sweeney (Independent Chairman) (resigned 1 April 2021) Tony McDonald (Independent Director) (resigned 1 April 2021) Robin Burns (Independent Director) (resigned 1 April 2021) Kerry Series (Non-Independent Director) (resigned 25 November 2020) Geoff Wilson (Non-Independent Director) (resigned 29 September 2020)
Secretary	Natalie Climo (appointed 20 May 2021) Laura Newell (resigned 20 May 2021)
Investment Manager	Lanyon Asset Management Pty Limited Level 7/66 Hunter Street Sydney NSW 2000 Level 1/16 Vardon Avenue Adelaide SA 5000 Telephone: (02) 8203 3800
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	Grant Thornton Audit Pty Ltd Grant Thornton House Level 3, 170 Frome Street Adelaide SA 5000 Telephone: (02) 8372 6666
Stock exchange	Australian Securities Exchange (ASX) The home exchange is Sydney ASX code: 8EC Ordinary shares
Website	www.8EC.com.au

8IP Emerging Companies Limited ABN 75 608 411 347
Annual Report - For the year ended 30 June 2021

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Chairman's Letter

Dear Shareholders,

This Annual Report sets out the state of affairs of the Company at 30 June 2021. For 8IP Emerging Companies Limited (the Company) the 2021 Financial Year was one of significant change.

Key events included the appointment of Lanyon Asset Management Pty Ltd as the new investment manager in November 2020 along with approval for a Capital Raising, followed by Board renewal in April 2021.

Further details are set out in this Report in the sections on Company Profile (page 2), Directors' Report (page 5) and Significant Changes in the State of Affairs (pages 6 and 7).

The plan approved in November 2020 is now advancing. Post financial year end, on 26 August 2021, the Company issued a Notice of Meeting calling an Extraordinary General Meeting for 27 September proposing further resolutions which, if passed, will facilitate the Company proceeding with a Capital Raising and emerging from suspension. The proposed resolutions also include a change of name to Lanyon Investment Company Limited.

Should this plan be approved and proceed, it is anticipated that it will breathe new life into the Company.



Ken Williams
Chairman

Adelaide
31 August 2021

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 2020.

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. On 15 September 2020, a notice of meeting was announced.

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. The suspension was lifted on 21 September 2020. From 15 October 2020 to date, the Company has been suspended from official quotation.

On 13 November 2020, the Extraordinary General Meeting to consider the Lanyon Proposal was held and resolutions were passed including: change to nature and scale of activities, 15% placement of Company's shares to Lanyon, consolidation of the Company's share capital, 15% share buy-back offer, capital raising, and approval to issue Capital Raising Shares to certain directors if they subscribe for the shares under offer.

During the year, the Company has completed to deliver these components of the Lanyon Proposal approved on the 13 November 2020 meeting: the placement to Lanyon, appointment of Lanyon as the new investment manager, consolidation of the Company's share capital and the 15% share buy-back offer.

On 24 December 2020, the Company announced that the 8EC Board considered the market conditions for capital raising and resolved to delay the capital raising until such time as market conditions improve.

On 1 April 2021, the Company announced its board renewal.

**8IP Emerging Companies Limited
Investments at Market Value
As at 30 June 2021**

Investments at Market Value

	\$	%
UNLISTED		
FREMANTLE OCTOPUS GROUP	842,423	87.63%
CASH	118,866	12.37%
TOTAL	961,289	100.00%

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).

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 2021.

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:

Ken Williams (Independent Non-Executive Chairman) (appointed 1 April 2021)
Richard Willson (Independent Non-Executive Director) (appointed 1 April 2021)
David Prescott (Non-Independent Non-Executive Director)
Jonathan Sweeney (Independent Chairman) (resigned 1 April 2021)
Tony McDonald (Independent Director) (resigned 1 April 2021)
Robin Burns (Independent Director) (resigned 1 April 2021)
Kerry Series (Non-Independent Director) (resigned 25 November 2020)
Geoff Wilson (Non-Independent Director) (resigned 29 September 2020)

Principal activities

The objective of the Company is to recapitalise and provide Shareholders exposure to proven value-oriented and actively engaged investments in undervalued global and Australian equities.

Dividends

There were no dividends paid during the year ended 30 June 2021 and 30 June 2020.

Review of operations

The operating loss before tax was \$604,072 for the year ended 30 June 2021 (2020: loss of \$552,392). The net result after tax was a loss of \$604,072 (2020: loss of \$620,671).

The net tangible asset backing before tax as at 30 June 2021 was \$0.7462 per share (post consolidation) (2020: \$0.0540). The net tangible asset backing after tax as at 30 June 2021 was \$0.7462 (post consolidation) (2020: \$0.0523).

Financial Position

The net asset value of the Company as at 30 June 2021 was \$841,889 (2020: \$2,147,992).

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.

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 was superior to completing the existing Sale and Distribution Proposal which was planned to conclude with the wind-up of the Company.

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. The suspension was lifted on 21 September 2020. From 15 October 2020 to date, the Company has been suspended from official quotation. The Company is working to meet the ASX's re-compliance requirements for admission and quotation.

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.

The Company's remaining listed investment (Novonix) was sold in July 2020.

Significant changes in the state of affairs (continued)

On 29 July 2020, the Company announced that in accordance with 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.

On 15 September 2020, a Notice of Meeting (NOM) was issued to be held on 16 October 2020. The meeting was postponed until 6 November 2020 and then subsequently until 13 November 2020 due to delay in Net Tangible Asset (NTA) calculation pending receipt of FY2020 financial statements for Fremantle Octopus Group (FOG), which constitutes the Company's remaining share investment.

On 5 November 2020, the Company announced it had reduced the carrying value of the FOG investment from \$999,999 to \$842,423 following receipt of a report from Hall Chadwick. The revised valuation was reflected in the 31 October 2020 NTA.

On 11 November 2020, a revised indicative timetable attached to the Notice of Meeting was announced. On 13 November 2020, the following resolutions were all passed:

- (1) Change to nature and scale of activities
- (2) 15% placement of Company's shares to Lanyon
- (3) Consolidation of capital
- (4) Buy-back
- (5) Capital raising
- (6) Approval to issue Capital Raising Shares to Jonathan Sweeney if he subscribes for the shares under offer
- (7) Approval to issue Capital Raising Shares to Tony McDonald if he subscribes for the shares under offer
- (8) Approval to issue Capital Raising Shares to Robin Burns if he subscribes for the shares under offer

On 18 November 2020, the Company issued 6,152,716 placement shares at \$0.02289 per share to Lanyon (pre-consolidation).

On 30 November 2020, the Company announced the equal access share buy-back included in the resolutions passed above. The buy back was a continuation of the Company's commitment to implement the Sale and Distribution Proposal by providing shareholders who did not wish to fully participate in the new investment strategy with a way to partially exit their investment in the Company at NTA. The total number of shares proposed to be bought back was 150,088 at \$0.9573 per share (post-consolidation). The offer period was from 10 December 2020 to 29 December 2020.

On 1 December 2020, the Company announced it had 1,150,656 fully paid ordinary shares on issue following the implementation of the 41 for 1 share consolidation during November 2020.

On 24 December 2020, the Company announced that the 8EC Board considered the market conditions for capital raising by listed investment companies had worsened in the past few months and were not currently favourable. In light of this, the Board resolved to delay the capital raising until such time as market conditions improve.

On 12 January 2021, the Company announced that the total number of shares bought back under the equal access buy-back was 23,508 shares at \$0.9573 per share. Consequently, these shares were cancelled on 27 January 2021.

On 1 April 2021, the Company had a board renewal. Jonathan Sweeney resigned as Independent Chairman, Robin Burns resigned as Independent Director, and Tony McDonald resigned as Independent Director. On the same date, Ken Williams was appointed as Independent Non-Executive Chairman and Richard Willson was appointed as Independent Non-Executive Director.

Laura Newell resigned as Company Secretary and Natalie Climo was appointed as Company Secretary on 20 May 2021.

There were no significant changes in the state of affairs of the Company during the year ended 30 June 2021, other than already disclosed above.

Matters subsequent to the end of the financial year

On 5 July 2021, Pitcher Partners Sydney resigned as auditor of the Company and Grant Thornton Audit Pty Ltd was appointed as auditor of the Company.

On 26 August 2021, the Company announced a share consolidation will take place on a 7:1 basis with a record date of 30 September 2021. The Company also announced a proposed \$25-30M capital raise with an issue date of 4 October 2021.

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

Lanyon is nearing completion of the Company's capital raising prospectus and will shortly formally commence implementation of the new capital raising strategy. Lanyon and the Company will target a capital raising that provides the optimal balance between achieving sufficient market liquidity providing an opportunity to create value for all shareholders from an appropriately sized asset base. On 26 August 2021, the Company announced a proposed \$25-30M capital raise with an issue date of 4 October 2021. The Company will provide further details in due course.

Lanyon continues to seek opportunities to realise the value of the Company's last remaining non-cash investment (in Fremantle Octopus Group) in an orderly manner.

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

Ken Williams Independent Non-Executive Chairman (Appointed 1 April 2021)

Experience and expertise

Ken Williams has extensive Board experience and over 25 years' experience in corporate finance, specialising in treasury and financial risk management. His directorship experience has spanned both large and small listed and private companies, not-for-profit organisations and superannuation funds including employer appointed Director of the Qantas Superannuation Fund, employer appointed Director of the Normandy Mining Superannuation Fund and independent Director of Local Super.

Other current directorships

Ken Williams is the independent Chairman of Statewide Super (appointed January 2017) and is a Non-Executive Director of Archer Materials Limited (ASX:AXE).

Former directorships in last 3 years

Ken Williams was previously Chairman of AWE Limited and Havilah Resources Limited.

Special responsibilities

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

Interests in shares and options

Details of Ken Williams' interests in shares of the Company are included later in this report.

Interests in contracts

Details of Ken Williams' interests in contracts of the Company are included later in this report.

Information on Directors (continued)

Richard Willson Independent Non-Executive Director (Appointed 1 April 2021)

Experience and expertise

Richard Willson is an experienced Non-Executive Director, Company Secretary and CFO with more than 20 years' experience with both publicly listed and private companies. Richard has a Bachelor of Accounting from the University of South Australia, is a Fellow of CPA Australia, and a Fellow of the Australian Institute of Company Directors.

Other current directorships

Richard Willson is a Non-Executive Director of Titomic Limited (ASX:TTT), AusTin Mining Limited (ASX:ANW), Thomson Resources Limited (ASX:TMZ), PNX Metals Limited (ASX:PNX), Unity Housing Company Ltd and Variety SA.

Former directorships in last 3 years

Richard Willson resigned as a Director of 1414 Degrees Ltd in May 2021.

Special responsibilities

N/A

Interests in shares and options

Details of Richard Willson's interests in shares of the Company are included later in this report.

Interests in contracts

Details of Richard Willson's interests in contracts of the Company are included later in this report.

David Prescott Non-Independent Non-Executive 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.

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.

Jonathan Sweeney Chairman, Non-executive Independent (Resigned 1 April 2021)

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 (Resigned 1 April 2021)

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 (Resigned 1 April 2021)

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 (Resigned 25 November 2020)

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-Independent Director (Resigned 29 September 2020)

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.

Company Secretary

Natalie Climo (Appointed 20 May 2021)

Natalie Climo has acted as Company Secretary for various ASX-listed companies. She holds Bachelor of Law and brings with her experience in corporate governance and board advisory in the listed company space.

Laura Newell (Resigned 20 May 2021)

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 2021, and the numbers of meetings attended by each Director were:

	Directors' Meetings		Meetings of committee	
			Audit, Risk and Compliance	
	A	B	A	B
Ken Williams	4	4	-	-
Richard Willson	4	4	-	-
David Prescott	14	14	-	-
Jonathan Sweeney*	11	11	7	7
Tony McDonald*	11	11	7	7
Robin Burns*	10	11	5	7
Kerry Series	7	7	-	-
Geoff Wilson	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

* 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 2020/21:

- Ken Williams (appointed 1 April 2021): \$70,000 p.a.
- Richard Willson (appointed 1 April 2021): \$49,500 p.a. (including superannuation)
- David Prescott: Nil*
- Jonathan Sweeney (resigned 1 April 2021): \$25,000 p.a. (including superannuation)
- Tony McDonald (resigned 1 April 2021): \$20,000 p.a.**
- Robin Burns (resigned 1 April 2021): \$20,000 p.a. (including superannuation)
- Kerry Series (resigned 25 November 2020): Nil
- Geoff Wilson (resigned 29 September 2020): \$5,000 p.a. (including superannuation)

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.

*David Prescott received remuneration from a related entity, refer to page 13.

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

8IP Emerging Companies Limited
Directors' Report
For the year ended 30 June 2021
(continued)

Remuneration report (Audited) (continued)

Details of remuneration

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

2021	Short-term employee benefits	Post-employment benefits	
Name	Salary and fees \$	Superannuation \$	Total \$
Non-executive Directors			
Ken Williams*	9,163	-	9,163
Richard Willson*	3,750	375	4,125
David Prescott**	-	-	-
Jonathan Sweeney*	17,123	1,627	18,750
Tony McDonald*	16,500	-	16,500
Robin Burns*	13,700	1,300	15,000
Geoff Wilson*	1,140	108	1,248
Sub-total non-executive Directors	61,376	3,410	64,786
Executive Director			
Kerry Series***	-	-	-
Sub-total executive Director	-	-	-
Total key management personnel compensation	61,376	3,410	64,786

*Geoff Wilson resigned on 29 September 2020. Jonathan Sweeney, Tony McDonald and Robin Burns resigned on 1 April 2021. Ken Williams and Richard Willson were appointed on 1 April 2021.

**David Prescott is the Managing Director of the Company's Investment Manager appointed on December 2020. During the year, the Manager was entitled to receive a fee of \$2,517 net of reduced input tax credits.

***Kerry Series is a significant shareholder and officer of the previous Manager, Eight Investment Partners Pty Limited. Up to November 2020, the Manager was entitled to \$9,573 net of reduced input tax credits for the management of the assets of the Company. Kerry Series resigned on 25 November 2020.

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

Remuneration report (Audited) (continued)

Details of remuneration (continued)

**Kerry Series is a significant shareholder and officer of the previous Manager, Eight Investment Partners Pty Limited. In prior year, the Manager was entitled to \$110,600 net of reduced input tax credits for the management of the assets of the Company.

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

	2021	2020	2019	2018	2017
Operating (loss)/profit after tax	(\$604,072)	(\$620,671)	(\$5,672,099)	\$1,011,127	(\$103,215)
Dividends paid (cents per share)	-	-	1.5	4.0	3.0
Net tangible asset backing (per share)					
before tax*	0.7462	0.0540	0.8565	1.0604	1.0702
Total Directors' remuneration	\$64,786	\$102,000	\$140,000	\$90,000	\$90,000
Total Shareholder's Equity**	\$841,889	\$2,147,992	\$35,173,552	\$42,691,466	\$42,910,882

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

*On 1 December 2020, the Company implemented a 41 to 1 share consolidation.

**For the year ended 30 June 2021, the Company paid distributions of \$820,363 (2020: \$32,404,889).

Director Related Entity Remuneration

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

David Prescott is the Managing Director of the Manager, the entity appointed to manage the investment portfolio of the Company. In its capacity as Manager, Lanyon Asset management Pty Limited was entitled to a management fee of 1.25% p.a. (plus GST) of gross assets amounting to \$2,517 net of reduced input tax credits. As at 30 June 2021, the balance payable to the Manager was nil.

Kerry Series is a significant shareholder and officer of the previous Manager, Eight Investment Partners Pty Limited. Up to November 2020, the Manager was entitled to \$9,573 net of reduced input tax credits for the management of the assets of the Company.

During the prior year, Kerry Series was a Director and beneficial owner of Eight Investment Partners Pty Limited (previous 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. As at 30 June 2020, the balance payable to the Manager was \$2,508 (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 2021 and 30 June 2020, the Manager was entitled to nil performance fee. As at 30 June 2021 and 30 June 2020, 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.

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

2021

Director	Position	Balance at 1 July 2020	Net movement**	Other changes***	Balance at 30 June 2021
Ken Williams*	Independent Non-Executive Chairman	-	-	-	-
Richard Willson*	Independent Non-Executive Director	-	-	-	-
David Prescott	Non-Independent Non-Executive Director	-	6,152,716	-	6,152,716
Jonathan Sweeney*	Independent Chairman	350,000	(341,461)	(8,539)	-
Tony McDonalds*	Independent Director	80,000	(78,048)	(1,952)	-
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)	-
		3,494,630	5,733,207	(3,075,121)	6,152,716

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	Non-Independent Non-Executive Director	-	-	-	-
		3,494,630	-	-	3,494,630

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

*Geoff Wilson resigned on 29 September 2020. Kerry Series resigned on 25 November 2020. Jonathan Sweeney, Tony McDonald and Robin Burns resigned on 1 April 2021. Ken Williams and Richard Willson were appointed on 1 April 2021.

**Net movement in David Prescott's shareholding pertains to the 6,152,716 placement shares issued by the Company at \$0.02289 per share on 18 November 2020. The net movement in Jonathan Sweeney's and Tony McDonalds' shareholdings relates to the 41 for 1 share consolidation which happened on 1 December 2020.

***Other movements represent interests held as at resignation date.

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.

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 15 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)*.

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 17.

This report is made in accordance with a resolution of Directors pursuant to section 298(2)(a) of the *Corporations Act 2001*.



Ken Williams
Independent Non-Executive Chairman
Adelaide
31 August 2021

Auditor's Independence Declaration

To the Directors of 8IP Emerging Companies Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of 8IP Emerging Companies Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 31 August 2021

8IP Emerging Companies Limited
Statement of Comprehensive Income
For the year ended 30 June 2021

		Year ended	
	Notes	2021	2020
		\$	\$
Investment income from ordinary activities			
Net realised gains on financial instruments at fair value through profit or loss		317,301	1,411,440
Net unrealised losses on financial instruments at fair value through profit or loss		(433,120)	(1,209,551)
Dividend income		-	11,956
Interest income		14	32,872
Other income		10,000	10,000
		(105,805)	256,717
Expenses			
Management fees	17	(11,265)	(110,600)
Accounting fees		(37,587)	(59,571)
Company secretarial fees		(42,089)	(31,284)
Share registry fees		(66,345)	(21,317)
Custody fees		(5,494)	(9,524)
Tax fees	15	(30,278)	(23,815)
Directors' fees	14	(64,786)	(102,000)
ASX fees		(40,671)	(44,344)
Audit fees	15	(51,966)	(55,175)
Consultancy fees		(24,000)	(40,000)
Advisory fees		(16,500)	(77,288)
Legal fees		(33,000)	(125,097)
Insurance costs		(50,484)	(59,640)
Other expenses		(23,802)	(49,454)
		(498,267)	(809,109)
Loss before income tax		(604,072)	(552,392)
Income tax expense	7	-	(68,279)
Loss for the year		(604,072)	(620,671)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		(604,072)	(620,671)
		Cents	Cents
Loss per share for profit attributable to the ordinary equity holders of the Company:			
Basic loss per share	20	(3.35)	(1.51)
Diluted loss per share	20	(3.35)	(1.51)

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

8IP Emerging Companies Limited
Statement of Financial Position
As at 30 June 2021

		At		
	Notes	2021	2020	
		\$	\$	
ASSETS				
Current assets				
Cash and cash equivalents	8	118,866	830,627	
Trade and other receivables	9	978	4,035	
Financial assets at fair value through profit or loss	10	842,423	1,413,316	
Other current assets		-	36,033	
Total current assets		962,267	2,284,011	
Total assets		962,267	2,284,011	
LIABILITIES				
Current liabilities				
Trade and other payables	11	120,378	67,740	
Current tax liabilities		-	68,279	
Total current liabilities		120,378	136,019	
Total liabilities		120,378	136,019	
Net assets		841,889	2,147,992	
EQUITY				
Issued capital	12	7,202,675	7,904,706	
Accumulated losses		(6,360,786)	(5,756,714)	
Total equity		841,889	2,147,992	

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

8IP Emerging Companies Limited
Statement of Changes in Equity
For the year ended 30 June 2021

Notes	Issued capital \$	Accumulated losses \$	Total \$
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 loss for the year	<u>-</u>	<u>(620,671)</u>	<u>(620,671)</u>
Transactions with owners in their capacity as owners:			
Capital distributions paid	(32,404,889)	-	(32,404,889)
	<u>(32,404,889)</u>	<u>-</u>	<u>(32,404,889)</u>
Balance at 30 June 2020	7,904,706	(5,756,714)	2,147,992
Balance at 1 July 2020	7,904,706	(5,756,714)	2,147,992
Loss for the year	-	(604,072)	(604,072)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	<u>-</u>	<u>(604,072)</u>	<u>(604,072)</u>
Transactions with owners in their capacity as owners:			
Capital distributions paid	12 (820,363)	-	(820,363)
Share buy back	(22,504)	-	(22,504)
Capital placement	140,836	-	140,836
	<u>(702,031)</u>	<u>-</u>	<u>(702,031)</u>
Balance at 30 June 2021	7,202,675	(6,360,786)	841,889

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

8IP Emerging Companies Limited
Statement of Cash Flows
For the year ended 30 June 2021

		Year ended	
		2021	2020
Notes		\$	\$
Cash flows from operating activities			
	Proceeds from sale of financial instruments at fair value through profit or loss	455,074	11,802,419
	Payments for purchase of financial instruments at fair value through profit or loss	-	(137,772)
	Dividends received	-	31,260
	Interest received	36	51,564
	Other income received	10,000	10,000
	Income taxes paid	(68,279)	88,616
	Investment management fees paid	(12,917)	(137,421)
	Payments for other expenses	(393,644)	(713,750)
	Net cash (outflow)/inflow from operating activities	<u>(9,730)</u>	<u>10,994,916</u>
19			
Cash flows from financing activities			
	Payments for shares buy back	(22,504)	-
	Proceeds from capital placement	140,836	-
	Capital distributions paid	(820,363)	(32,404,889)
	Net cash outflow from financing activities	<u>(702,031)</u>	<u>(32,404,889)</u>
Net decrease in cash and cash equivalents			
		(711,761)	(21,409,973)
	Cash and cash equivalents at the beginning of the year	830,627	22,240,600
	Cash and cash equivalents at the end of the year	<u>118,866</u>	<u>830,627</u>
8			

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

1 General information

8IP Emerging Companies Limited ("8EC" or the "Company") is a listed public company domiciled in Australia. The address of 8EC's registered office is 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 realise 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. On 13 November 2020, the shareholders meeting was held to consider the Lanyon Proposal and the resolutions with regard to the Lanyon Proposal were passed. The Company has started implementation of the following resolutions as per the indicative timetable announced on 11 November 2020:

- (1) Change to nature and scale of activities
- (2) 15% placement of Company's shares to Lanyon
- (3) Consolidation of capital
- (4) Buy-back
- (5) Capital raising
- (6) Approval to issue Capital Raising Shares to Jonathan Sweeney if he subscribes for the shares under offer
- (7) Approval to issue Capital Raising Shares to Tony McDonald if he subscribes for the shares under offer
- (8) Approval to issue Capital Raising Shares to Robin Burns if he subscribes for the shares under offer

During the year, the Company has completed to deliver these components of the Lanyon Proposal approved on the 13 November 2020 meeting: the placement to Lanyon, appointment of Lanyon as the new investment manager, consolidation of the Company's share capital and the 15% share buy-back offer.

On 24 December 2020, the Company announced that the 8EC Board considered the market conditions for capital raising and resolved to delay the capital raising until such time as market conditions improve.

On 1 April 2021, the Company announced its board renewal.

The financial statements of 8IP Emerging Companies Limited are for the year ended 30 June 2021.

The financial statements were authorised for issue by the Board of Directors on 31 August 2021.

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.

As at the date of preparing these financial statements, and in the context of a potential recapitalisation of the Company or a realisation of assets, 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.

2 Significant accounting policies (continued)

(a) Basis of preparation (continued)

(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 2020 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 2021 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.

(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 using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial asset to the net carrying amount of the financial asset.

(iv) Other income

Other income is recognised when it is received or when the right to receive payment is established.

(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.

2 Significant accounting policies (continued)

(c) Income tax (continued)

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.

(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 is 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).

2 Significant accounting policies (continued)

(g) Financial assets and liabilities (continued)

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.

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) 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.

2 Significant accounting policies (continued)

(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; 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.

(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.

(m) 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.

(n) Operating segments

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

(o) Functional and presentation currency

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

(p) Comparatives

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

2 Significant accounting policies (continued)

(q) Going concern

The financial report has been prepared on the basis of a going concern. During the year ended 30 June 2021, the Company recognised a loss after tax of \$604,072 and cash flow forecasts indicate that the Company will need to either realise its financial asset and/or raise additional capital within the next 12 months. These conditions give rise to a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern.

On the 26th of August 2021, the Company issued a Notice to convene an Extraordinary General Meeting of shareholders at which the Directors will be seeking shareholder approval to issue up to 6 million new shares (on a post consolidation basis 7:1) under a prospectus to raise up to \$30,000,000 in new capital.

Based on available information, the Directors believe it is appropriate to prepare the financial report on a going concern basis.

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 2021, the Company held shares in Fremantle Octopus Group (2020: shares in Novonix Limited (ASX: NVX) and Fremantle Octopus Group). This is considered a level 3 investment (refer to Note 4 for further information).

Sensitivity

The following table illustrates the effect on the Company's net assets from possible changes in fair value of 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.

	Impact on post-tax profit/(loss) and net assets	
	2021	2020
	\$	\$
Decrease 5%	(30,538)	(51,233)
Increase 5%	30,538	51,233
Decrease 10%	(61,076)	(102,465)
Increase 10%	61,076	102,465

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 2021	Floating interest rate \$	Non- interest bearing \$	Total \$
Financial assets			
Cash and cash equivalents	118,866	-	118,866
Trade and other receivables	-	978	978
Financial assets at fair value through profit or loss	-	842,423	842,423
	<u>118,866</u>	<u>843,401</u>	<u>962,267</u>
Financial liabilities			
Trade and other payables	-	(120,378)	(120,378)
	<u>-</u>	<u>(120,378)</u>	<u>(120,378)</u>
Net exposure to interest rate risk	<u>118,866</u>	<u>723,023</u>	<u>841,889</u>
At 30 June 2020	Floating 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>1,417,351</u>	<u>2,247,978</u>
Financial liabilities			
Trade and other payables	-	(67,740)	(67,740)
	<u>-</u>	<u>(67,740)</u>	<u>(67,740)</u>
Net exposure to interest rate risk	<u>830,627</u>	<u>1,349,611</u>	<u>2,180,238</u>

Sensitivity

At 30 June 2021, 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 loss for the year would have been \$646 higher/\$646 lower (2020 changes of +75 bps/-75 bps: \$4,517 higher/\$4,517 lower on post-tax loss), mainly as a result of 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).

(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.

4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

(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 2021	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial assets				
Unlisted equity securities	-	-	842,423	842,423
Total financial assets	-	-	842,423	842,423
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

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.

The investments included in Level 3 of the hierarchy include investments that have not listed on the Australian Securities Exchange as at 30 June 2021 and therefore represent investments in an inactive market.

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.

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

4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

(iv) Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in fair value of level 3 instruments for the year ended 30 June 2021 and 30 June 2020.

	30 June 2021	30 June 2020
	\$	\$
Opening balance	999,999	1,439,999
Sales during the period	-	(440,000)
Losses recognised in the Statement of Comprehensive Income	(157,576)	-
Closing balance	842,423	999,999

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

Fund Investment	Fair value	Unobservable inputs	Relationship of unobservable inputs to fair value
Fremantle Octopus Group Limited as at 30 June 2021	\$842,423	Revenue Multiple	12.5% change would increase/decrease fair value by \$115,151.
		Net Assets of Investment	10% change would increase/decrease fair value by \$94,226.
Fremantle Octopus Group Limited as at 30 June 2020	\$999,999	Acquisition cost	10% change in share price would increase/decrease fair value by \$98,443 and 25% change in share price would increase/decrease fair value by \$250,212.

(v) Disclosed fair values

The basis of valuation of the unlisted equity securities in Fremantle Octopus Group Limited ("FOG") is fair value. As at 30 June 2020, the investment was carried at acquisition cost. As at 30 June 2021, the Directors obtained an independent equity valuation based on the net asset and revenue multiple methods. The Company held 606,060 ordinary shares in FOG, the independent valuer determined a range of valuation and the Directors selected \$1.39 consistent with the prior valuation.

For all financial instruments other than those measured at fair value their carrying values approximate their fair value.

The carrying values of cash and cash equivalents, trade and other receivables and payables approximate their fair values due to their short-term nature.

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.

5 Critical accounting estimates and judgements (continued)

Critical accounting estimates and assumptions (continued)

(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 of \$170,934 as at 30 June 2021 they continue to be recognised at nil value in these financial statements.

(ii) *Financial instruments*

Certain financial instruments are measured at fair value determined by the use of valuation models using Level 3 unobservable inputs, for example unlisted equity securities. This includes equity valuation models based on the net asset and revenue multiple method, they are validated and periodically review by an independent valuer.

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

(a) Income tax expense through profit or loss

	Year ended	
	2021	2020
	\$	\$
Current tax expense	-	68,279
	-	68,279
<i>Income tax expense is attributable to:</i>		
Loss from continuing operations	-	68,279
Aggregate income tax expense	-	68,279

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

	Year ended	
	2021	2020
	\$	\$
Loss from continuing operations before income tax expense	(604,072)	(552,392)
Tax at the Australian tax rate of 27.5% (2020 - 27.5%)	(166,120)	(151,908)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Franking credits on dividends received	-	(5,124)
Imputation credit gross up	-	1,409
Tax losses and temporary differences not recognised	166,120	138,036
Cash flow boost received	-	(2,750)
Tax refund received	-	88,616
Income tax expense	-	68,279

The applicable weighted average effective tax rates are as follows: 0% 12.36%

7 Income tax expense (continued)

(c) Tax losses

	Year ended	
	2021	2020
	\$	\$
Unused tax losses for which no deferred tax asset has been recognised	170,934	-
Potential tax benefit @ 27.5%	47,007	-

(d) Unrecognised temporary differences

	Year ended	
	2021	2020
	\$	\$
Temporary difference relating to investments for which deferred tax liabilities have not been recognised:		
Unrealised losses on investments	433,138	1,228,243
Unrecognised deferred tax liabilities relating to the above temporary differences	119,113	337,767

8 Current assets - Cash and cash equivalents

	At	
	2021	2020
	\$	\$
Current assets		
Cash at bank	118,866	830,627
	118,866	830,627

(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:

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

9 Current assets - Trade and other receivables

	At	
	2021	2020
	\$	\$
Interest receivable	-	22
GST receivable	978	4,013
	978	4,035

Receivables are non-interest bearing and unsecured.

9 Current assets - Trade and other receivables (continued)

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

	2021	At	2020
	\$		\$
Listed equity securities	-		413,317
Unlisted equity securities	842,423		999,999
Total financial assets	842,423		1,413,316

The market values of all investments as at 30 June 2021 are disclosed on page 3 of the Annual Report.

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.

(a) Investment transactions

The total number of contract notes that were issued for transactions in securities during the financial year was 2 (2020: 82). Each investment transaction may involve multiple contract notes.

The total brokerage paid on these contract notes was \$1,003 (2020: \$16,438).

(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 Current liabilities - Trade and other payables

	2021	At	2020
	\$		\$
Management fees payable	-		2,508
Other payables	120,378		65,232
	120,378		67,740

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

12 Issued capital

(a) Share capital

	Notes	30 June 2021 Shares	30 June 2020 Shares	30 June 2021 \$	30 June 2020 \$
Ordinary shares	12(b), 12(c)	1,127,148	41,018,108	7,202,675	7,904,706

(b) Movements in ordinary share capital

Details		Number of shares	\$
Opening balance 1 July 2020		41,018,108	7,904,706
Capital placement	12(d)	6,152,716	140,836
Share consolidation	12(f)	(46,020,168)	-
Share buy-back	12(e)	(23,508)	(22,504)
Capital distributions paid	12(g)	-	(820,363)
Closing balance 30 June 2021		1,127,148	7,202,675

Details

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

(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) Placement shares

On 18 November 2020, the Company issued 6,152,716 placement shares at \$0.02289 per share (pre-consolidation) to Lanyon Asset Management Pty Ltd as part of the resolutions passed as set out in Note 1.

(e) Share buy-back

On 30 November 2020, the Company announced the equal access share buy-back included in the resolutions passed above. The buy back was a continuation of the Company's commitment to implement the Sale and Distribution Proposal by providing shareholders who did not wish to fully participate in the new investment strategy with a way to partially exit their investment in the Company at NTA. The total number of shares proposed to be bought back was 150,088 at \$0.9573. The offer period was from 10 December 2020 to 29 December 2020.

On 12 January 2021, the Company announced that the total number of shares bought back under the equal access buy-back was 23,508 shares at \$0.9573 per share. Consequently, these shares were cancelled on 27 January 2021.

(f) Share consolidation

On 1 December 2020, the Company announced it had 1,150,656 fully paid ordinary shares on issue following the implementation of the 41 for 1 share consolidation during November.

12 Issued capital (continued)

(g) Capital distributions paid

On 29 July 2020, the Company announced that in accordance with 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.

(h) 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.

13 Dividends

(a) Ordinary shares

There were no dividends paid on Ordinary shares for the years ended 30 June 2021 and 30 June 2020.

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

Since the financial year ended 30 June 2021, the Directors have not recommended any dividends.

(c) Dividend franking account

The franked portions of any final dividends recommended after 30 June 2021 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 2022.

	Year ended	
	2021	2020
	\$	\$
Opening balance of franking account	(68,279)	15,213
Franking credits on dividends received	-	5,124
Tax paid during the year	68,279	204,866
Tax refund	-	(293,482)
Closing balance of franking account	-	(68,279)
Franking (deficit)/credits (payable)/available for subsequent reporting periods based on a tax rate of 27.5% (2020: 27.5%)	-	(68,279)

14 Key management personnel disclosures

(a) Key management personnel compensation

	Year ended	
	2021	2020
	\$	\$
Short-term employee benefits	61,376	95,855
Post-employment benefits	3,410	6,145
	64,786	102,000

Detailed remuneration disclosures are provided in the remuneration report on pages 12 to 15.

(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.

2021	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				
David Prescott	-	6,152,716	-	6,152,716
Jonathan Sweeney*	350,000	(341,461)	(8,539)	-
Tony McDonald*	80,000	(78,048)	(1,952)	-
Kerry Series*	1,343,001	-	(1,343,001)	-
Geoff Wilson*	1,721,629	-	(1,721,629)	-
	3,494,630	5,733,207	(3,075,121)	6,152,716

*Geoff Wilson resigned on 29 September 2020. Kerry Series resigned on 25 November 2020. Jonathan Sweeney and Tony McDonald resigned on 1 April 2021.

**Net movement in David Prescott's shareholding pertains to the 6,152,716 placement shares issued by the Company at \$0.02289 per share on 18 November 2020. The net movement in Jonathan Sweeney's and Tony McDonald's shareholdings relates to the 41 for 1 share consolidation which happened on 1 December 2020.

***Other movements represent interests held as at resignation date.

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
	3,494,630	-	-	3,494,630

14 Key management personnel disclosures (continued)

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

(ii) Option holdings

No options are on issue during the year ended 30 June 2021 (2020: nil).

15 Remuneration of auditors

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

	Year ended	
	2021	2020
	\$	\$
Grant Thornton		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	30,000	-
Total auditor remuneration and other assurance services	30,000	-
<i>Taxation services</i>		
Tax compliance services	17,738	-
Total remuneration for taxation services	17,738	-
Total remuneration of Grant Thornton	47,738	-
Pitcher Partners		
<i>Audit and other assurance services</i>		
Audit and review of financial statements	21,966	55,175
Total auditor remuneration and other assurance services	21,966	55,175
<i>Taxation services</i>		
Tax compliance services	12,540	23,815
Total remuneration for taxation services	12,540	23,815
Total remuneration of Pitcher Partners	34,506	78,990

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.

On 5 July 2021, Pitcher Partners Sydney resigned as auditors of the Company and Grant Thornton Audit Pty Ltd was appointed as auditors of the Company.

16 Contingent assets and liabilities and commitments

The Company had no contingent assets, contingent liabilities or commitments as at 30 June 2021 (2020: nil).

17 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 14.

(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.

David Prescott is the Managing Director of the Manager, the entity appointed to manage the investment portfolio of the Company. In its capacity as Manager, Lanyon Asset Management Pty Limited was entitled to a management fee of 1.25% p.a. (plus GST) of gross assets amounting to \$2,517 net of reduced input tax credits. As at 30 June 2021, the balance payable to the Manager was nil.

During prior year, Kerry Series was a Director and beneficial owner of Eight Investment Partners Pty Limited (previous 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. As at 30 June 2020, the balance payable to the Manager was \$2,508 (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 2021 and 30 June 2020, the Manager was entitled to nil performance fee. As at 30 June 2021 and 30 June 2020, 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.

18 Events occurring after the reporting period

On 5 July 2021, Pitcher Partners Sydney resigned as auditors of the Company and Grant Thornton Audit Pty Ltd was appointed as auditors of the Company.

On 26 August 2021, the Company announced a share consolidation will take place on a 7:1 basis with a record date of 30 September 2021. The Company also announced a proposed \$25-30M capital raise with an issue date of 4 October 2021.

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.

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

	Year ended	
	2021	2020
	\$	\$
Loss for the year	(604,072)	(620,671)
Proceeds from sale of financial assets at fair value through profit or loss	455,074	11,802,419
Payments for purchase of financial assets at fair value through profit or loss	-	(137,772)
Net unrealised gains on investments	433,120	1,209,551
Net realised losses on investments	(317,301)	(1,411,440)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	3,057	48,117
Increase in other current assets	-	(8,376)
Decrease in deferred tax assets	-	282,748
Decrease in other current tax assets	36,033	88,616
Increase/(decrease) in trade and other payables	52,638	(43,807)
(Decrease)/increase in provision for income taxes	(68,279)	68,279
Decrease in deferred tax liabilities	-	(282,748)
Net cash (outflow)/inflow from operating activities	(9,730)	10,994,916

20 Loss per share

(a) Basic loss per share

	Year ended	
	2021	2020*
	Cents	Cents
Basic loss per share attributable to the ordinary equity holders of the Company	(3.35)	(1.51)

(b) Diluted loss per share

	Year ended	
	2021	2020*
	Cents	Cents
Diluted loss per share attributable to the ordinary equity holders of the Company	(3.35)	(1.51)

Diluted loss per share is the same as basic loss per share. As at 30 June 2021 and 30 June 2020, the Company had no securities outstanding which have the potential to convert to ordinary shares and dilute the basic loss per share.

20 Loss per share (continued)

(c) Weighted average number of shares used as denominator

	Year ended	
	2021 Number	2020* Number
Weighted average number of ordinary shares used as the denominator in calculating basic loss per share	18,053,357	41,018,108
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted loss per share	18,053,357	41,018,108

*On 1 December 2020, the Company implemented a 41 to 1 share consolidation. If this occurred prior to 30 June 2020, the basic loss per share and diluted loss per share would be (0.62) cents.

8IP Emerging Companies Limited
Directors' Declaration
For the year ended 30 June 2021

In the opinion of the Directors of the Company:

- (a) the financial statements and notes set out on pages 18 to 41 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 as described in Note 1 to the financial statements; and
 - (iii) giving a true and fair view of the Company's financial position as at 30 June 2021 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 signed in accordance with a resolution of the Directors made pursuant to section 295 (5)(a) of the *Corporations Act 2001*.



Ken Williams
Independent Non-Executive Chairman

Adelaide
31 August 2021

Independent Auditor's Report

To the Members of 8IP Emerging Companies Limited

Report on the audit of the financial report

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 2021, the statement of comprehensive income, statement of changes in equity and 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, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 2(q) in the financial statements, which indicates the financial statements have been prepared on the going concern basis. During the year ended 30 June 2021, the Company recognised a loss after tax of \$604,072 and cash flow forecasts prepared by management indicate that the Company is reliant on realisation of its financial asset and/or a capital raise in order to continue as a going concern. These events or conditions, indicate that a material uncertainty exists that may cast doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 period. 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.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
------------------	--

Valuation and existence of financial assets – Note 4

The Company's financial assets are a significant balance and represent the key driver of the Company's net tangible assets and profits.

As at 30 June 2021 financial assets were valued at \$842,423.

The remaining financial asset held was classified as a "Level 3" financial instrument in accordance with the classifications under Australian Accounting Standards. The process to measure unlisted financial assets at fair value based on 'level 3' inputs involves significant management judgment.

We considered this a key audit matter due to the financial significance of the balance, as well as the inherent judgement involved in valuing 'level 3' financial instruments at fair value. This includes the heightened judgement required by the Company to identify appropriate observable inputs.

Our procedures included, amongst others:

- Obtaining an understanding the investment management process and controls;
- Obtaining confirmation of the investment holdings;
- Assessing management's external valuation expert utilised in the valuation of the remaining unlisted financial asset;
- Assessing the competency, capabilities and independence of managements external valuation expert;
- Engaging an internal valuation expert to review the assumptions and judgements utilised by the management expert to ensure these are consistent with the "level 3" financial instruments inputs;
- Reviewing the accounting treatment of revaluations of financial assets and gains or losses during the year for appropriateness; and
- Reviewing the adequacy of the financial statement disclosure.

Information other than the financial report and auditor's report thereon

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 2021, 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 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 control 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 Company's ability 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar2_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of 8IP Emerging Companies Limited, for the year ended 30 June 2021 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.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 31 August 2021

8IP Emerging Companies Limited
Shareholder information

The Shareholder information set out below was applicable as at 31 July 2021.

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	234	89,648	7.95
1,001 - 5,000	94	182,763	16.21
5,001 - 10,000	7	48,027	4.26
10,001 - 100,000	8	236,136	20.95
100,001 and over	4	570,574	50.63
	347	1,127,148	100.00

There were 338 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
CITICORP NOMINEES PTY LIMITED	185,768	16.48
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	149,669	13.28
DAWNEY & CO LTD	119,863	10.63
NATIONAL NOMINEES LIMITED	115,274	10.23
AURORA FUNDS MANAGEMENT LIMITED <AOD A/C>	84,465	7.49
DMX CAPITAL PARTNERS LIMITED	38,734	3.44
MARENNE PTY LTD	30,488	2.71
BNP PARIBAS NOMS PTY LTD <DRP>	23,324	2.07
BOND STREET CUSTODIANS LIMITED <WILLIM - V21664 A/C>	18,293	1.62
CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	15,386	1.37
DAVID HUGH CAMPBELL ABBOTT	14,561	1.29
BUZZ MONTY PTY LTD <THE SAVAGE A/C>	10,885	0.97
BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD <DRP A/C>	8,620	0.77
MR ROBERT ROUX	7,500	0.67
GREEN ACTIVIST RETIREMENT FUND PTY LTD <GREEN ACTIVIST RET FUND A/C>	7,415	0.66
MR STEVE GREEN	6,491	0.58
STRATAGEMS PTY LTD <THE GRANT PERSONAL SUPER A/C>	6,221	0.55
MR GERARDO BARRANQUERO <THE REDCOMP SUPER A/C>	6,098	0.54
MR STEVE ANDREW GREEN	5,682	0.50
SERRANO INVESTMENTS PTY LTD <THE ES & JS FAMILY A/C>	4,879	0.43
	859,616	76.27

C. Substantial holders

There are currently 5 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

On 12 January 2021, the company announced that the total number of shares bought back under the equal access buy-back was 23,508 shares at \$0.9573 per share. Consequently, these shares were cancelled on 27 January 2021.