

ECP

ECP Emerging
Growth Limited
Annual Report
2023



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Welcome

Financial Year End
30 June 2023

FY23 Final Dividend
2.9 cents per share

Shares Traded Ex Dividend
28 August 2023

Dividend Books Close
29 August 2023

Dividend Payment
12 September 2023

Annual General Meeting
The Annual General Meeting of
ECP Emerging Growth Limited

Will be held at:
The office of
EC Pohl & Co Pty Ltd
Level 12, Corporate Centre One
2 Corporate Court
Bundall QLD 4217

Wednesday 29 November 2023
at 12.00pm (AEST)

**Investing in ECP Emerging
Growth Limited**

Investors can purchase shares
in ECP Emerging Growth
Limited through the Australian
Securities Exchange.

ASX code: ECP

ECP Emerging Growth Limited

ABN 30 167 689 821
Registered in Australia
23 January 2014 and listed
on ASX in August 2014

ECP Emerging Growth Limited Directors (from left to right):
Jared Pohl, Murray d'Almeida, David Crombie AM

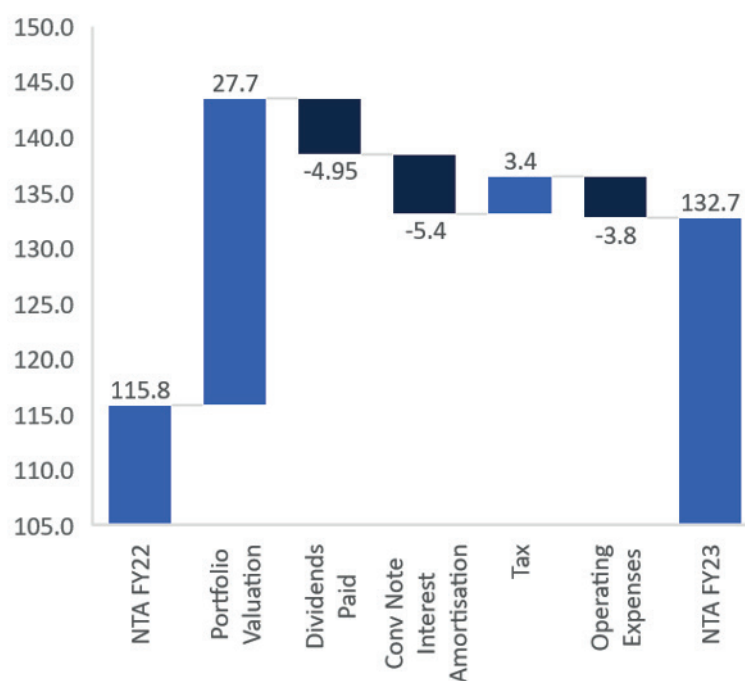


Highlights for 2023

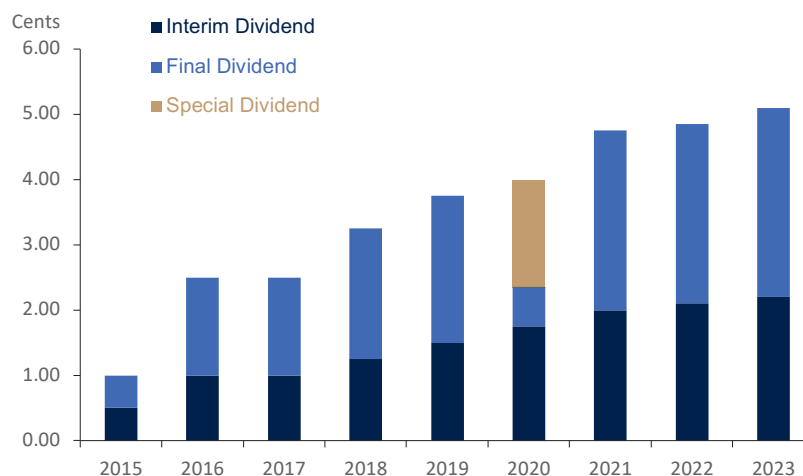
Highlights for the year ending June 2023

- Portfolio performance was positive 16.8%, outperforming the ASX Small Ordinaries Index by 11.5 percentage points which increased by 5.3% over the twelve month period.
- The total dividend for the FY2023 year is 5.1 cents per share representing a 5.15% increase on the prior year and 5.1% yield on the share price at 30 June 2023.

Waterfall: Net tangible assets before tax on unrealised gains (cents per share)



Dividends per share



Performance vs. The ASX Small Ordinaries Index

Year to	Portfolio Return Pre Fees	NTA (on Realised Gains only)	ASX Small Ordinaries Index
June-15	3.4%	-3.6%	-7.3%
June-16	24.8%	15.8%	10.4%
June-17	2.6%	-5.9%	3.7%
June-18	20.0%	12.3%	20.5%
June-19	17.3%	6.3%	-0.9%
June-20	22.7%	9.1%	-8.3%
June-21	50.5%	29.7%	30.2%
June-22	-28.1%	-34.8%	-21.6%
June-23	16.8%	14.6%	5.3%

Major Investments June 2023

Top 10 Investments	June 23	June 22
GQG Partners Inc	9.0%	9.5%
Domino Pizza Enterprises Ltd	7.9%	7.6%
IDP Education Limited	7.7%	5.5%
HUB24 Limited	7.3%	5.8%
Judo Capital Holdings	6.5%	2.8%
Carsales.Com Limited	5.7%	8.3%
Corporate Travel Management Ltd	5.5%	3.8%
Netwealth Group Limited	5.1%	6.0%
REA Group Ltd	5.1%	6.6%
PWR Holdings Limited	4.7%	2.8%
Total	64.5%	58.7%

ECP Emerging Growth Limited

Company Profile

ECP Emerging Growth Limited (the “Company”) listed on the Australian Securities Exchange (ASX) in August 2014 is a Listed Investment Company (LIC) providing investors with access to an expertly crafted quality portfolio of Australian small and mid-cap growth companies.

The portfolio is managed by ECP Asset Management Pty Ltd, which has a specialist, equities focused funds management investment team renowned for its stability, track record and sound investment process.

The Manager’s investment philosophy is built on the belief that the economics of business drives long-term investment returns. Investing in high quality businesses that have the ability to generate predictable, above average economic returns, will produce superior investment performance over the long-term.

Mission

Creating Shareholder wealth through active management of a portfolio of ASX listed small and mid-cap quality growth companies.



Objectives

The investment objectives of ECP Emerging Growth Limited are:

- To achieve medium to long-term capital growth and income through investing in a diversified portfolio of small and mid-cap Australian companies;
- To preserve and enhance the NTA backing per share; and
- To provide Company Shareholders with a fully franked dividend which, over time, will grow at a rate in excess of the rate of inflation.

Investor Benefits

The benefits for investors in ECP Emerging Growth Limited are:

- Reduced share investment risk through a diversified investment portfolio;
- Professional and disciplined management of an investment portfolio;
- Fully franked dividend income and access to tax advantages of Listed Investment Company Capital Gains when available;
- Access to a Dividend Reinvestment Plan;
- No entry or exit charges made by the Company; and
- Easy access to information via the Company's head office or website:
www.ecpam.com/emerging

Investment Manager

The management of the Company's investment portfolio is undertaken by ECP Asset Management Pty Ltd.

The Company's portfolio of investments comprises companies whose operations cover a wide spectrum of business activities and the portfolio is constructed from the perspective of a business owner, by investing in well managed companies and not simply by tracking the index weighting of various component stocks.

There is a management fee of 1% p.a. on the portfolio net asset value of the Company, payable monthly. In addition, the Manager receives a performance based fee payable annually in arrears if the Company's investments outperform an absolute return of 8%. If the Company's net performance is less than 8%, no performance fee is payable ensuring the Manager is focused on absolute returns to Shareholders.

Mr Jared Pohl is a Director of ECP Asset Management Pty Ltd. ECP Asset Management Pty Ltd is an authorised representative of EC Pohl & Co Pty Ltd, which holds an AFSL.

Information on the Investment Manager is available from www.ecpam.com.

Environment, Social, Governance

A business can only maintain a sustainable competitive advantage if it adequately respects all stakeholders in the business and environment in which it operates. Companies which are not engaged in sustainable practices, will not be able to generate above average economic returns throughout their lifecycle. To this end, the Manager's investment process scrutinises companies to see if they have appropriate, and sensible governance structures in place as well as incorporating sustainable practices into their day to day operations.

Companies that don't meet standards of respect and integrity with regard to compensation structures, internal controls, accounting treatment, rules, relationships, systems and process throughout the organisation, are not included in the portfolio.

In keeping with this philosophy, the Manager was named a Responsible Investment Leader by RIAA in 2022 and became a signatory to the United Nations-backed Principles for Responsible Investment Initiative in 2016. At the core of these principles is compliance with an investment approach that incorporates Environment, Social and Governance (ESG) factors into the investment decision making process and requires, where appropriate, engagement with investee Boards to uphold the best possible ESG outcomes.

Information on the ESG policies of the Investment Manager are available from:
<https://www.ecpam.com/sustainability/>

Chairman's Report

Dear Fellow Shareholders,

While negative macro events featured predominately in the headlines, FY23 was a year of improvement as measured by the ASX All Ordinaries Index which increased by 9.7% during the year, recovering most of FY22's loss and has now increased 23.3% since June 2020.

The Year In Review

Market commentary for the financial year 2022-2023 reflects a lot of the themes that emerged during the last financial year (2021-2022). Key global events remained prominent including the Russian invasion of Ukraine and the rolling impact of COVID-19 variants, but macro-economic factors had a greater impact on the financial markets. Widespread inflation became a serious concern for global economies and the response from central banks aggressively increasing interest rates has threatened to tip slowing economies into recession.

The Reserve Bank of Australia (RBA) has increased the cash rate target by 400 basis points from 0.1% in April 2022 to 4.1% in June 2023. This is a significant jump in a short space of time and markets reacted pretty strongly at the initial shock when the RBA changed its stance from 'inflation is transitory' to 'we need to fight inflation at all costs'. Through the year however, we became accustomed even anticipating the interest rate moves and despite the high inflation reading for the December 2022 quarter the market was very positive as represented by the ASX Small Ordinaries Index which was up by 12.3% at the end of January 2023. The optimism cooled in February 2023 with the banking crisis that ensnared Silicon Valley Bank (SVB) and Credit Suisse, however, at the end of June 2023 the ASX Small Ordinaries Index was still in positive territory, having increased by 5.3% from June 2022.

By comparison the ECP Emerging Growth Portfolio has returned 16.8% for the financial year adding to the since inception performance which is now 12.8%, compared to the ASX Small Ordinaries Index which has increased by 2.5% over the same time period.

Market Outlook

Comments from the RBA indicate that the rate increases are not over yet and certainly while the labour market remains tight and services inflation remains high this seems very likely. Forecasting the medium term impact of the rate increases remains difficult and debate of a hard or soft landing will continue.

It is likely that stubborn core inflation, tighter financial conditions and central bankers that are slow to cut rates mean declining company earnings in many businesses. It is therefore as important as ever to remain diligent and committed to the investment process, assessing our investee businesses on their ability to generate above-average earnings and to think long-term with our strategy so as not to be caught up in the fluctuations in the market.

Investment Manager

Despite the macro features of the economic environment, the management of the portfolio has remained consistent with the long-term strategy. The Manager, ECP Asset Management, has constantly retested the investment thesis of our investee businesses to ensure they remain competitive in the current environment. Indeed the manager ignores macro themes preferring to focus upon the long term potential of the investee businesses.

The Manager has a sound investment philosophy which sets out a number of 'rules' or 'procedures' that can be relied upon when the market noise gets too loud. Companies that have a sustainable competitive advantage will always be well-placed to withstand short-term headwinds, regardless of market conditions, maintain market share and ultimately find new ways to grow. By drilling down into a company's financials and growth plans in a careful, considered and committed way, it is possible to identify the quality growth stocks that will prosper over the long-term.

Markets are notorious for over-reacting to temporary themes. The long term approach, utilised by our Manager, means that the turbulence is seen as a normal part of the market which allows them to capitalise on this market feature.

Dividend

Our portfolio of investments has performed very well over the last 12 months, allowing the board to increase the interim dividend by 4.76% to 2.2cps, and increasing the final dividend by 5.5% to 2.9cps. This makes the total FY23 dividend 5.1cps, a 5.15% increase on the prior year and a 5.1% yield on the closing share price at 30 June 2023.

The Final dividend will be fully franked and is fully attributable to LIC capital gains. The attributable component can be an enormous tax benefit to Shareholders, depending on their circumstances, and we will continue to pass this on as and when the LIC gains are available.

The company remains in a position with significant retained earnings which would allow us to maintain the current annual dividend for a further 4 years.

The Board

I wish to record my appreciation for my fellow Board members for their support and input throughout the past year. The Board remains focused on delivering shareholder returns via the performance of the portfolio while acknowledging that the share price does not necessarily reflect the underlying value of ECP. The recurrent share price discount to net tangible assets is not uncommon for a listed investment company of our size, however for the benefit of shareholders we aim to narrow the gap by increasing awareness of our Company and encouraging investor interest.

Finally, the Board would like to thank all Shareholders and Noteholders for their continued support.

Yours sincerely,



Murray H d'Almeida
Chairman



Directors' Report

Information on Directors

Your Directors present their report on ECP Emerging Growth Limited for the financial year ended 30 June 2023.

1. Directors

The following persons were Directors of ECP Emerging Growth Limited from the beginning of the financial year until the date of this report, unless otherwise stated: Murray H d'Almeida, David C Crombie AM and Jared D Pohl.

S Barrett is Alternate Director to M d'Almeida and D Crombie.

2. Information on Directors



Murray H d'Almeida | FAICD

Experience and expertise

Director since the inception of the Company in 2014.

Over 38 years of diverse national and international business experience. Founded the Retail Food Group and developed a presence in seven overseas countries. Subsequently has maintained operating and board positions within a range of financial services, mining, commercial, academic, government and sporting businesses and organisations.

Listed company directorships

- Chairman Global Masters Fund Limited

Other positions

- Deputy Chancellor Southern Cross University
- Member of Gold Coast Light Rail Business Advisory Board
- Chairman Zooz Pty Ltd

Former Listed Company directorships in last 3 years

- Director Triple Energy Limited (Nov 2022)

Interests in the Company

10,945 ordinary shares

3,497 convertible notes



David C Crombie AM | B.Econ (UQ)
Non-Executive Director

Experience and expertise

Director since 2014.

Extensive business experience as founding partner in Palladium Group (formerly GRM International), with 1600 professional staff engaged on development projects in 26 countries across a range of sectors including health, education, agricultural services and capacity building for AusAid, DIFID and USAid plus multilateral and Government /private sector clients. Retired as Managing Director in 2000 and from the Board in 2019.

Currently managing agricultural and livestock projects across northern Australia.

Formerly President of the National Farmers Federation, Chairman of Meat and Livestock Australia and President of Australian Rugby Union.

Listed company directorships

- Director Alliance Aviation Services (AQZ)

Other positions

None

Former Listed Company directorships in last 3 years

- Director Australian Agricultural Company (July 2019)

Interests in the Company

133,901 ordinary shares

174,826 convertible notes

Directors' Report

Information on Directors



Jared D Pohl | B.Com, B.IT, MBA
Executive Director

Experience and expertise

Director since 2017.

Jared has over 17 years investment experience. Prior to co-founding ECP Asset Management in 2012, Jared was a member of the Hyperion Asset Management investment team. Additionally, Jared was seconded to Wasatch Advisors in Salt Lake City where he worked alongside their Private Market team, looking for pre-IPO investment opportunities.

Prior to financial services, Jared consulted on a number of IT projects and has been involved extensively in the tech start-up space and regularly appears as a Judge/Mentor at events and guest lectures to students on entrepreneurship.

Listed company directorships

None

Other positions

- Director of ECP Asset Management Pty Ltd
- Director of Sound Life Charity (Limited by Guarantee)
- Bond University Business Faculty Advisory Council

Former Listed Company directorships in last 3 years

None

Interests in the Company

15,000 ordinary shares

69,930 convertible notes



Scott Barrett | B.Com, CA

Company Secretary

Alternate Director

Chief Financial Officer

Experience and expertise

Mr Scott Barrett has been CFO for ECP Emerging Growth since October 2017. He was appointed Company Secretary on 1 July 2021 and was also appointed Alternate Director to Mr Murray d'Almeida and Mr David Crombie AM at this time.

Scott has 20 years' experience in business management and accounting, leading businesses across Australia and New Zealand and is CFO and Company Secretary for two other listed companies.

Listed company directorships

— Alternate Director of Flagship Investments Limited

Other positions

None

Former Listed Company directorships in last 3 years

None

Interests in the Company

20,907 ordinary shares

34,966 convertible notes

Directors' Report

Continued

3. Principal Activities

The principal activity of the Company is investing in securities listed on the Australian Securities Exchange.

The mission is to create Shareholder wealth through active management of a portfolio of ASX Listed quality small to mid-cap growth companies.

4. Review of Operations

During the year the portfolio performance was positive 16.8%, a very good result when compared to the ASX Small Ordinaries Index which increased by 5.3% and also reflects a recovery from the prior year's performance. The unrealised losses in the portfolio have decreased in value from \$8,481,788 to \$2,544,557, as shown in unrealised fair value movement of the portfolio in the profit and loss which was positive \$5,937,231. This means the portfolio overall is still sitting in a loss position and reflects some of the elevated prices from the last two years.

The company realised \$1,468,743 in portfolio losses, this is a result of the portfolio construction component of the investment process. During this process the internal rate of return of each the investments is weighted against each other to determine the optimal composition in the portfolio. The portfolio composition of investee businesses that have had significant movements in their share price might be adjusted ignoring the gains or losses generated. However, during the year some portfolio companies triggered certain exit criteria including: Carbon Revolution (ASX: CBR) who is being bought out in a SPAC transaction that will see it listed on the US stock exchange, Costa Group (ASX: CGC) was removed after continued changes in leadership including the CEO who resigned in September 2022 and Nitro Software (ASX: NTO) due to the ongoing takeover battle between Potentia and Alludo, these companies are sold regardless of the portfolio valuation or portfolio gains or losses in alignment with the investment process.

As always the portfolio comprises of companies that the Investment Manager has assessed as high quality growth businesses with the ability to generate predictable above-average economic returns and it is by committing in a disciplined way to the investment process that consistent long-term returns are created within the portfolio.

Portfolio returns during the year extend the since inception performance of the portfolio which is currently 12.8%, sitting well ahead of the ASX Small Ordinaries Index which has increased by 2.5%.

5. Likely developments and expected results of operations

There are no planned changes to principal activities. Any general decline in equity markets may have an adverse effect on results in future years.



6. Dividends Paid

The dividends paid to Shareholders during the financial year were as follows:

Type	Cents Per Share	Total Amount \$'000s	Date of Payment
Final	2.75	504	Sep 2022
Interim	2.20	403	Mar 2023
Total	4.95	907	

Dividends paid by the Company during the preceding year were:

Type	Cents Per Share	Total Amount \$'000s	Date of Payment
Final	2.75	504	Sep 2021
Interim	2.10	385	Mar 2022
Total	4.85	889	

The final dividend paid in September 2022 and the interim dividend paid in March 2023, were fully franked.

In addition to the above dividends, since the end of the financial year the Directors have recommended the payment of a final dividend of 2.9 cents per share (\$531,834) to be paid on 12 September 2023. The dividends will be fully franked and will be fully attributable to LIC capital gains, refer to Note 15 (d).

7. Earnings per Share

	2023 Cents	2022 Cents
Based on profit after income tax		
Basic earnings per share	21.82	(56.00)
Diluted earnings per share	18.73	(56.00)
Based on Comprehensive Income after tax		
Basic earnings per share	21.82	(56.00)
Diluted earnings per share	18.73	(56.00)

See Note 16 of the Financial Report.

8. Company Secretary

Scott Barrett B.Com, CA

Scott commenced as Company Secretary on 1 July 2021. Scott is a Chartered Accountant and is the Chief Financial Officer for ECP Emerging Growth Limited. Scott has extensive governance, business management and accounting experience working in subsidiaries of multinational groups from the hospitality and property industries.

9. Meetings of Directors

The number of Directors' meetings attended by each of the Directors of the Company during the financial year are:

Board Meetings

Director	Eligible to attend	Attend
M H d'Almeida	4	4
D C Crombie AM	4	3
J D Pohl	4	4

Directors' Report

Continued

10. Remuneration report (audited)

The remuneration report is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Share-based compensation
- E. Related Party Transactions
- F. Equity Instrument Disclosure relating to Key Management Personnel

(A) Principles used to determine the nature and amount of remuneration

Fees and payments to Directors reflect the demands which are made on, and the responsibilities of, the Directors.

No remuneration consultants were engaged during the year.

The per annum remuneration of the Directors remained unchanged from the previous year:

— Chairman	\$45,000
— Other Directors	\$40,000

Remuneration of Directors is determined by the Board within the maximum amount of \$200,000 previously approved by the Shareholders.

There is no performance based remuneration for Directors.

(B) Details of remuneration

Details of the remuneration of each Director of the Company are set out in the following table.

Director	Year	Short-term Benefits			Post-employment Super \$	Equity		Total \$
		Fees \$	Performance Fees \$	Non-monetary Benefits \$		Shares \$	Options \$	
M H d'Almeida* Non-executive Chairman	2023	46,125	-	-	-	-	-	46,125
	2022	46,125	-	-	-	-	-	46,125
D C Crombie AM* Non-executive Director	2023	41,000	-	-	-	-	-	41,000
	2022	41,000	-	-	-	-	-	41,000
J D Pohl* Executive Director	2023	41,000	-	-	-	-	-	41,000
	2022	41,000	-	-	-	-	-	41,000
Total Directors Remuneration	2023	128,125	-	-	-	-	-	128,125
	2022	128,125	-	-	-	-	-	128,125

*Inclusive of non-claimable GST amount

(C) Service agreements

As the Company does not employ any staff, there are no employment service agreements entered into by the Company. The Executive Director is employed by the Investment Manager – ECP Asset Management Pty Ltd.

(D) Share-based compensation

No share-based compensation exists.

(E) Related party transactions

The following transactions occurred with other related parties:

	2023 \$	2022 \$
Expenses paid or payable by the Company to:		
ECP Asset Management Pty Ltd for Performance Fee	-	-
ECP Asset Management Pty Ltd for Management Fee	348,005	350,574
ECP Asset Management Pty Ltd for Company Secretary Fee	36,900	36,900
– Fees payable to ECP Asset Management Pty Ltd are in accordance with the Management Services Agreement as detailed in Note 22. – Mr J D Pohl has an interest in the transaction as during the year Mr J D Pohl was a Director of ECP Asset Management Pty Ltd as detailed in Note 21. – All related party transactions are made on an arm's length basis using industry standard terms and conditions.		

(F) Equity instrument disclosure relating to Key Management Personnel

The number of ordinary shares and convertible notes of the Company held during the financial year by each Director of ECP Emerging Growth Limited, including their related parties is set out below. There were no shares granted during the year as compensation.

Ordinary Shares	Balance at the start of the year	Acquired during the year	Other changes during the year	Balance at the end of the year
M H d'Almeida	10,469	476	-	10,945
D Crombie AM	128,089	5,812	-	133,901
J D Pohl	15,000	-	-	15,000
Convertible Notes	Balance at the start of the year	Acquired during the year	Other changes during the year	Balance at the end of the year
M H d'Almeida	3,497	-	-	3,497
D Crombie AM	174,826	-	-	174,826
J D Pohl	69,930	-	-	69,930

End of remuneration report (audited).

Directors' Report

Continued

11. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

12. Matters subsequent to the end of the financial year

Other than the dividend declared as per Item 6, no other matter or circumstance not otherwise dealt with in the Directors' Report or Financial Report, which has arisen since the end of the year 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 future financial years.

13. Environmental issues

The Company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

14. General transactions

In addition to Directors' remuneration, the Company has a management services agreement with ECP Asset Management Pty Ltd – refer Notes 21 and 22.

15. Loans

There are no loans issued to any of the Directors during or since the financial year (30 June 2022 – Nil).

16. Options

No Options have been issued during or since the financial year (30 June 2022 – Nil).

17. Insurance of officers and/or auditors

During the financial year, the Company insured the Directors and Officers against certain liabilities as permitted by the Corporations Act 2001. The insurance policy prohibits disclosure of the nature of the cover, the amount of the premium, the limit of liability and other terms.

The Company has entered into an agreement for the purpose of indemnifying Directors and Officers, to the extent permitted by law, against any liability (including the costs and expenses of defending actions for an actual or alleged liability) incurred in their capacity as a Director and Officer of the Company.

The Company has not during or since the financial year indemnified or paid any insurance premiums to indemnify the auditors.

18. 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 proceeding 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.

19. Non-audit services

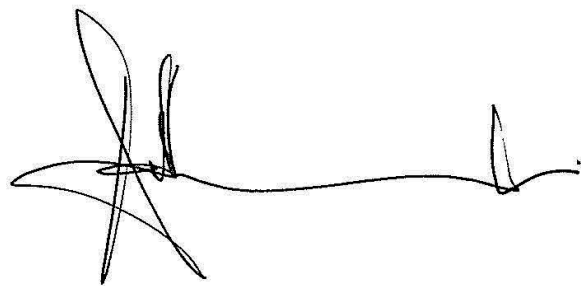
The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor’s expertise and experience with the Company are important.

There have been no amounts paid or payable to the auditors for non-audit services provided during the year.

The Directors have considered the position and are satisfied that the provision of any non-audit services (if necessary in future) is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Board is satisfied that the provision of any non-audit services by the auditor, would not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- All non-audit services would be reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in APES 110, including reviewing or auditing the auditor’s own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

A copy of the Auditor’s Independence Declaration as required under section 307C of the Corporation Act 2001 is set out on page 47.



Murray H d’Almeida
Director

22 August 2023



Corporate Governance Statement

For the year ended 30 June 2023

The Directors of ECP Emerging Growth Limited are committed to excellence in corporate governance. By adopting the ASX Corporate Governance Council's Corporate Governance Principles and incorporating industry best practice, the Company has built a framework that supports our business performance and enhances transparency and accountability which ultimately protects the interests of Shareholders.

Below is a list of the Company's Corporate Governance Framework documents set out against the relevant ASX Governance Principles and Recommendations, the details of which are available on the Company's Website. The full Corporate Governance Statement for the year ending 30 June 2023 is also available on the website, at ecpam.com/emerging/

ASX Governance Principles

Relevant Document/Information

Principle 1:

Lay solid foundations for management and oversight

Board Charter

Whistleblower Policy

Principle 2:

Structure the Board to be effective and add value

Board Charter

Principle 3:

Instil a culture of acting lawfully, ethically and responsibly

Code of Conduct

Share Trading Policy

Whistleblower Policy

Principle 4:

Safeguard integrity in corporate reports

Board Charter

Code of Conduct

Principle 5:

Make timely and balanced disclosure

Disclosure Policy

Principle 6:

Respect the rights of security-holders

Communications Policy

Privacy Policy

Principle 7:

Recognise and manage risk

Board Charter

Principle 8:

Remunerate fairly and responsibly

Board Charter

The Corporate Governance Statement explains the extent to which the Company complies with the ASX Corporate Governance Principles and Recommendations including how the policies above support Corporate Governance in the Company. Under the "if not, why not" approach the Board provides explanations as to why a particular

recommendation is not appropriate to its circumstances. For clarity, the Board would like to highlight on the following page the recommendations that have not been fully adopted and the reasons behind the decision.



ASX Governance Principles

Compliance Statement

Principle 1: Lay solid foundations for management and oversight Recommendation 1.5: Gender Diversity	Compliant except for 1.5: Non-Compliant. The Board seeks to develop a culture of diversity whereby a mix of skills and diverse backgrounds are employed, maximizing the benefits of a collection of view-points. At this point in time and through previous recruitment processes gender diversity has not been achieved, however there is complete commitment to creating further diversity at the next opportunity.
Principle 2: Structure the Board to be effective and add value Recommendation 2.1: Establish a Nomination Committee	Compliant. Note 2.1: The Company has not established a formal Nomination Committee, as the Board considers that, due to the specific scope and nature of the Company's activities, the whole Board should undertake the responsibility.
Principle 3: Instil a culture of acting lawfully, ethically and responsibly	Compliant
Principle 4: Safeguard integrity in corporate reporting Recommendation 4.1: Establish an Audit Committee	Compliant. Note 4.1: The benefits of a separate committee were not being realised due to the composition of the committee and overlap with the Board. The Board has reviewed the Board Charter and its processes to ensure integrity of corporate reporting is maintained.
Principle 5: Make timely and balanced disclosure	Compliant
Principle 6: Respect the rights of security-holders	Compliant
Principle 7: Recognise and manage risk Recommendation 7.1: Risk Committee Recommendation 7.3: Internal audit function	Compliant. Note 7.1: The benefits of a separate committee were not being realised due to the composition of the committee and overlap with the Board. The Board has reviewed the Board Charter and its processes to ensure risks are appropriately managed. 7.3: The Company does not have an internal audit function given the size and nature of the Company. Instead, the Board liaises closely with the Company's external auditor to identify potential improvements to the financial risk management and internal control process. The Board also interrogates the internal compliance and external audit of the Manager.
Principle 8: Remunerate fairly and responsibly Recommendation 8.1: Remuneration Committee Recommendation 8.3: Equity-based remuneration	Compliant. Note 8.1: The Company does not have a Remuneration Committee, instead the full Board develops the remuneration policy balancing the need to attract high quality Directors, establishing appropriate incentives and commercial control of expenses. The establishment of a committee would not provide further efficiency to the operation of the Board given the Board size. Not-Applicable: 8.3: The Company does not have an equity-based remuneration scheme and does not intend to establish one.

Financial Report

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This financial report covers ECP Emerging Growth Limited as an individual entity.

There are no controlled entities.

ECP Emerging Growth Limited is a company limited by shares, incorporated and domiciled in Australia. Its principal place of business is:

ECP Emerging Growth Limited
Level 4 The Pavilion
388 George Street
Sydney NSW 2000

The financial report was authorised for issue by the Directors on 22 August 2023.

A description of the nature of the entity's operations and its principal activities is included in the Operating and Financial Review.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete and available globally at minimum cost to the Company. All media releases, financial reports and other information are available from the Company at the above address or from our website: ecpam.com/emerging



Statement of Profit or Loss and Other Comprehensive Income

Financial report for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue	5	630,193	409,701
Net cumulative gain/(loss) on sale of financial assets at fair value		(1,468,743)	4,339,872
Net unrealised gains/(loss) on financial assets at fair value		5,937,231	(15,126,997)
Finance Expense	13	(995,272)	(212,127)
Expenses	6	(694,074)	(650,707)
Profit/(loss) before income tax		3,409,335	(11,240,258)
Income tax credit	7	591,576	979,461
Net Profit/(loss) after income tax		4,000,911	(10,260,797)
Other Comprehensive Income			
Other Comprehensive Income for the year, net of tax		-	-
Total Comprehensive Income/(loss) for the year		4,000,911	(10,260,797)
		Cents	Cents
Earnings per share			
Basic earnings per share based on net profit/(loss)	16	21.82	(56.00)
Diluted earnings per share based on net profit/(loss)	16	18.73	(56.00)
Comprehensive earnings/(loss) per share	16	21.82	(56.00)

The accompanying Notes form part of these Financial Statements.

Statement of Financial Position

Financial report for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Assets			
Current assets			
Cash and cash equivalents	8	1,893,100	2,904,468
Trade receivables and other assets	9	253,369	116,815
Current Tax receivable	12	608,678	-
Total current assets		2,755,147	3,021,283
Non-current assets			
Financial assets at fair value through profit or loss	10	30,709,476	28,522,162
Deferred tax asset	12	67,783	84,885
Total non-current assets		30,777,259	28,607,047
Total assets		33,532,406	31,628,330
Liabilities			
Current liabilities			
Trade and other payables	11	51,266	532,012
Current tax liabilities	12	-	1,108,611
Total current liabilities		51,266	1,640,623
Non-current liabilities			
Deferred tax liability	12	-	-
Convertible Note	13	9,151,485	8,751,178
Total non-current liabilities		9,151,485	8,751,178
Total liabilities		9,202,751	10,391,801
Net assets		24,329,655	21,236,529
Equity			
Issued capital	14	17,978,916	17,978,916
Option premium on convertible notes	13	1,848,766	1,848,766
Retained earnings		4,501,973	1,408,847
Total equity		24,329,655	21,236,529

The accompanying Notes form part of these Financial Statements.

Statement of Changes in Equity

Financial report for the year ended 30 June 2023

2022	Note	Ordinary Shares \$	Retained Earnings \$	Option premium on Convertible Notes \$	Total \$
Balance at 1 July 2021		17,952,246	12,558,069	-	30,510,315
Loss for the year		-	(10,260,797)	-	(10,260,797)
Other Comprehensive Income for the year		-	-	-	-
Total Comprehensive Income for the year		-	(10,260,797)	-	(10,260,797)
Transactions with owners in their capacity as owners					
Shares issued via dividend reinvestment plan net of costs	15	26,670	-	-	26,670
Dividends paid or provided for	15	-	(888,425)	-	(888,425)
Balance at 30 June 2022		17,978,916	1,408,847	1,848,766	21,236,529

2023	Note	Ordinary Shares \$	Retained Earnings \$	Option premium on Convertible Notes \$	Total \$
Balance at 1 July 2022		17,978,916	1,408,847	1,848,766	21,236,529
Profit for the year		-	4,000,911	-	4,000,911
Other Comprehensive Income for the year		-	-	-	-
Total Comprehensive Income for the year		-	4,000,911	-	4,000,911
Transactions with owners in their capacity as owners					
Dividends paid or provided for	15	-	(907,785)	-	(907,785)
Balance at 30 June 2023		17,978,916	4,501,973	1,848,766	24,329,655

The accompanying Notes form part of these Financial Statements.

Statement of Cash Flows

Financial report for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Cash flows from operating activities			
Dividends received		577,863	434,982
Interest received		57,167	736
Income tax paid		(1,108,611)	(1,826,215)
Interest paid on convertible notes		(594,965)	(128,682)
Other payments (inclusive of GST)		(672,546)	(2,867,133)
Net cash provided by/(used in) operating activities	24	(1,741,092)	(4,386,312)
Cash flows from investing activities			
Proceeds from sale of investments		22,933,821	21,009,940
Payments for investments		(21,296,312)	(27,148,404)
Net cash provided by/(used in) investing activities		1,637,509	(6,138,464)
Cash flows from financing activities			
Dividends paid	15a	(907,785)	(860,858)
Share issue costs		-	(1,282)
Net proceeds from issue of convertible notes	13	-	10,516,500
Net cash provided by/(used in) financing activities		(907,785)	9,654,360
Net decrease in cash and cash equivalents held		(1,011,368)	(870,416)
Cash and cash equivalents at the beginning of the year		2,904,468	3,774,884
Cash and cash equivalents at end of year	8	1,893,100	2,904,468

The accompanying Notes form part of these Financial Statements.

Notes to the Financial Statements

Financial report for the year ended 30 June 2022

The functional and presentation currency of ECP Emerging Growth Limited is Australian dollars.

1. Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards and the Corporations Act 2001.

These financial statements and associated notes comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

2. Summary of significant accounting policies

(a) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

All revenue is stated net of the amount of goods and services tax (GST).

Interest Revenue

Interest is recognised using the effective interest method.

Dividend Revenue

Dividends are recognised when the entity's right to receive payment is established.

(b) Income tax

The income tax expense recognised in the statement of profit or loss and other comprehensive income comprises current income tax expense plus deferred tax expense.

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

(c) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(e) Financial instruments

The company holds investments in listed equities as its principle business. These investments are classified as financial assets at fair value through profit or loss.

This measurement is on the basis of two primary criteria:

- The contractual cash flow characteristics of the financial asset; and
- The business model for managing financial assets

Financial assets – recognition

The Company's investments are recognised on the date that the Company commits itself to the purchase of the asset (ie trade date accounting is adopted).

Investments are measured at fair value, which is determined by quoted prices in an active market.

Financial assets – subsequent measurement

Securities held in the portfolio are revalued to market values at each reporting date. The realised and unrealised net gains or losses on the portfolio are recognised in the statement of profit or loss.

Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of loans and receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the profit or loss in other expenses.

Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and securities) is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets held by the Company is the closing quoted price. The appropriate quoted market price for financial liabilities is the closing quoted price.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.



Notes to the Financial Statements

Financial report for the year ended 30 June 2023

Convertible Notes

On the 12th of April 2022, the Company issued 7,569,534 Convertible Notes. These compound financial instruments are able to be converted to ordinary shares at the option of the noteholder in accordance with the Note Terms. The liability component is initially recognised as the difference between the compound financial instrument as a whole and the component associated with the conversion feature. The conversion is measured at fair value using observable inputs and upon valuation is classified as equity. The attributable transaction costs are allocated to the liability and equity components in proportion to their carrying amounts.

After initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method until extinguished on conversion or maturity of the notes. The carrying amount of the equity component is not remeasured in subsequent periods.

(f) Trade and other payables

Liabilities for trade payables and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

(g) Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions for 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.

(h) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

(i) New accounting standards and interpretations

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The following section summarises those future requirements and their impact on the Company where the standard is relevant.

AASB 17 Insurance Contracts

Effective date: 1 January 2023

AASB 17 replaces three standards that currently deal with insurance: definitions of insurance (AASB 4), general insurance (AASB 1023) and life insurance (AASB 1038). The concept behind the standard is to account for profit from insurance contracts in a way that considers risk associated with an insurance contract. There are three methods of accounting under the new standard, with the applicable method determined by the nature of the insurance contracts issued.

The introduction of AASB 17 will not have an impact on the Company.

AASB 2020-1 Amendment to Classification of Liabilities as Current or Non-Current

Effective date: 1 January 2024

AASB 2020-1 & AASB 2022-6 were introduced to deal with liability classification issues relating to the right to defer settlement need not be unconditional and must exist at the end of the reporting period, classification based on rights to defer (not intention), liabilities settled by transferring own equity instruments prior to maturity, and additional disclosures where right to defer settlement is subject to entity complying with covenants within 12 months after the reporting period.

The amendment to the classification of Liabilities as Current or Non-Current will impact the presentation of the convertible note liability. Unamended, the convertible note liability would be presented as a current liability at the point when note-holders have the option to convert the notes to ordinary shares. Under the amendment, because the notes are only redeemable for ordinary shares they remain a non-current liability until such time as the notes are redeemable for a cash payment.

3. Critical accounting estimates and judgements

(a) Key estimates

The option feature of the convertible notes was valued using the Black Scholes Method. Key inputs into the calculation include observable data such as dividend yield, share price and exercise price as well as assumptions of stock price volatility (32.5% based on the annualised standard deviation of daily market movement averaged between a three and five-year period) and the risk free rate of return (based off the five year bond rate at the date of measurement).

There are no other key assumptions or sources of estimation uncertainty that have a risk of causing material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period as investments are carried at their market value.

(b) Key judgements

The preparation of financial reports in conformity with Australian Account Standards require the use of certain critical accounting estimates. This requires the Board to exercise their judgement in the process of applying the Company's accounting policies.

The carrying amount of certain assets and liabilities are often determined based on estimates and assumptions of future events. In accordance with AASB 112 Income Taxes, deferred tax liabilities are recognised for Capital Gains Tax (CGT) on the unrealised gains in the investment portfolio at current tax rates. Deferred tax assets are not recognised on net unrealised losses in the investment portfolio due to the unlikely realisation of the losses.

As the Directors do not intend to dispose of the portfolio, the tax liability/benefit may not be crystallised at the amount disclosed in Note: 12. In addition, the tax liability /benefit that arises on the disposal of these securities may be impacted by changes in tax legislation relating to treatment of capital gains and the rate of taxation applicable to such gains/losses at the time of disposal.

The Company has an investment process which is anticipated to deliver medium to long term capital growth, the minimum investment period is three to five years.

The Company does not hold any securities for short term trading purposes.

4. Operating segments

Segment information

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

Operating segments have been determined on the basis of reports reviewed by the Board. The full Board is considered to be the chief operating decision maker of the Company. The Board considers the business from both a product and geographic perspective and assesses performance and allocates resources on this basis. The Board considers the business to consist of just one reportable segment.



Notes to the Financial Statements

Financial report for the year ended 30 June 2023

		Notes	2023 \$	2022 \$
5. Revenue and other income	Interest revenue		57,167	736
	Dividend revenue		573,026	408,965
	Total revenue		630,193	409,701
6. Other expenses	ASX listing and other fees		37,535	36,264
	Audit fees	17	20,542	20,516
	Director fees		128,125	128,125
	Insurance		31,898	30,352
	Share registry		24,028	18,343
	Management fees		348,005	350,574
	Company Secretary fee		36,900	36,900
	Trustee Fee		51,250	12,812
	Other		15,791	16,821
	Total other expenses		694,074	650,707

	Notes	2023 \$	2022 \$
7. Income tax expense			
(a) Reconciliation of income tax to accounting profit			
Profit/(Loss) before income tax		3,409,335	(11,240,258)
Prima facie tax payable/(receivable) on profit from ordinary activities before income tax rate at 30% (2022 – 30%)		1,022,800	(3,372,077)
Add:			
Tax effect of:			
— Franking Credits		46,550	36,623
— Unrealised losses		-	2,544,536
— Other		324,663	78,822
Less:			
Tax effect of:			
— Rebateable franked dividends		-	(122,078)
— Unrealised gains		(1,781,169)	-
— Other		(204,420)	(145,286)
Income tax credit		(591,576)	(979,461)
(b) The major components of tax (expense)/income			
Current tax (liability)/receivable		608,678	(1,108,611)
Deferred income tax expense:			
(Decrease)/increase in deferred tax assets		(18,553)	87,736
Decrease in deferred tax liabilities		1,451	2,000,336
Income tax credit from continuing operations		591,576	979,461
(c) Amounts recognised directly in Other Comprehensive Income		-	-

Notes to the Financial Statements

Financial report for the year ended 30 June 2023

		Notes	2023 \$	2022 \$
8. Cash and cash equivalents	Cash at Bank and on hand		1,893,100	2,904,468
	Reconciliation of cash			
	Cash and equivalents Reported in the Statement of Cash Flows are reconciled to the equivalent items in the Statement of financial Position as follows:			
	Cash at bank and on hand		1,893,100	2,904,468
	Balance as per Statement of Cash Flows		1,893,100	2,904,468
9. Trade receivables and other assets	Current			
	GST receivable		17,460	38,356
	Dividends receivable		5,945	10,782
	Prepayments		67,678	67,677
	Other receivable		162,286	-
	Total current trade and other receivables		253,369	116,815
10. Financial assets	Financial assets designated as fair value through profit or loss	20	30,709,476	28,522,162
	Total financial assets		30,709,476	28,522,162
	(a) Financial assets consist of investments in listed equity securities. Fair value is determined by reference to closing bid prices on the Australian Securities Exchange.			

	2023 \$	2022 \$
11. Trade and other payables		
Current		
Accounts payable and accrued expenses	51,266	532,012
Total current trade and other payables	51,266	532,012
Contractual cash flows from trade and other payables approximate their carrying amount. Trade and other payables are all contractually due within six months of reporting date.		
12. Tax		
Current tax receivable	608,678	-
Total tax receivable	608,678	-
Current tax payable	-	1,108,611
Total tax payable	-	1,108,611
Recognised deferred tax assets	69,567	88,120
Recognised deferred tax liabilities	(1,784)	(3,235)
Net deferred tax asset	67,783	84,885
(a) Deferred tax assets attributable to:		
— Capital raising costs	69,567	88,120
	69,567	88,120
(b) Deferred tax liabilities attributable to:		
— Unfranked dividend and interest receivable	1,784	3,235
	1,784	3,235

Notes to the Financial Statements

Financial report for the year ended 30 June 2023

2023
\$

2022
\$

13. Convertible Notes

On the 12th of April 2022, the Company issued 7,569,534 listed, unsecured, redeemable, convertible notes (ASX: ECPGA) raising a total of \$10.8 million. The convertible notes carry a fixed interest entitlement of 5.5% per annum paid quarterly with a step-up to 6.5% per annum on the 12th April 2025 if the 2-year bank bill swap rate is above 2.5859%. At any time after the second anniversary of the issue date and before 10 days before maturity, the notes can be converted in to ordinary shares on a one for one basis - alternatively the note capital will be repaid on the maturity date - 11 April 2027.

Opening Balance	8,751,178	-
Proceeds from issue of convertible notes (7,569,534 notes at \$1.43)	-	10,824,434
Transaction Costs	-	(307,934)
Net Proceeds	-	10,516,500
Conversion feature – Equity allocation	-	(1,848,766)
Finance Expense	995,272	212,127
Interest paid to note holders	(594,965)	(128,682)
Closing Convertible note liability	9,151,485	8,751,178

	2023 \$	2022 \$
14. Issued capital		
(a) Share capital		
Ordinary shares fully paid 18,339,088 (2022: 18,339,088)	18,350,465	18,350,465
Capital raising costs	(371,549)	(371,549)
Total	17,978,916	17,978,916

(b) Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the Shareholder's meetings, each ordinary share is entitled to one vote when a poll is called.

(c) Movements in ordinary share capital

Date	Details	Number of Shares	\$
30 June 2021	Balance	18,318,043	18,322,898
15 March 2022	Dividend Reinvestment Plan @\$1.3099	21,045	27,568
30 June 2022	Balance	18,339,088	18,350,456
	Nil Movement*		
30 June 2023	Balance	18,339,088	18,350,456

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

Notes to the Financial Statements

Financial report for the year ended 30 June 2023

	2023 \$	2022 \$
15. Dividends		
(a) Dividends and distributions paid		
The following dividends were declared and paid:		
Final fully franked ordinary dividend of 2.75 cents per share paid on 14 September 2022 (2022: 2.75 cents per share paid on 15 September 2021)	504,325	503,746
Interim fully franked ordinary dividend of 2.2 cents per share paid on 9 March 2023 (2022: 2.1 cents per share paid on 15 March 2022)	403,460	384,679
Total	907,785	888,425
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan during the year ended 30 June 2023 and 2022 were as follows:		
Paid in cash	907,785	860,858
Satisfied by issue of shares	-	27,567
Total	907,785	888,425
(b) Proposed Dividends		
Proposed Final 2023 fully franked ordinary dividend of 2.9 cents (2022: 2.75 cents) per share to be paid on 12 September 2023.	531,834	504,325
Total Proposed Dividend	531,834	504,325

The proposed final dividend for 2023 was declared after the end of the reporting period and therefore has not been provided for in the financial statements. There are no income tax consequences arising from this dividend at 30 June 2023.

	2023 \$	2022 \$
15. Dividends		
continued		
(c) Franked dividends		
The franking credits available for subsequent financial years at a tax rate of 30%	3,763,821	2,928,498
The dividend franking account is calculated on a cash basis. It does not take into account: (a) Franking credits that will arise from the payment of the current tax liabilities; (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year-end; (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year. The impact on the franking credit of the dividends proposed after the end of the reporting period is to reduce it by \$227,929 (2022: \$216,139). The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.		
(d) Listed Investment Company capital gain account		
Balance of the Listed Investment Company (LIC) capital gain account (before tax)	9,325,856	10,622,692
Balance of the Listed Investment Company (LIC) capital gain account (after tax)	6,528,099	7,435,884
Distributed capital gains may entitle certain Shareholders to a special deduction in their Tax Return as set out in the dividend statement. LIC capital gains available for distribution are dependent on: (i) the disposal of investment portfolio holdings which qualify for LIC capital gains; or (ii) the receipt of LIC distribution from LIC securities held in the portfolio.		

Notes to the Financial Statements

Financial report for the year ended 30 June 2023

	2023 \$	2022 \$
16. Earnings per share		
(a) Earnings used in the calculation of basic and diluted earnings per share.		
(i) Profit/(loss) from continuing operations attributable to the owners of the Company	4,000,911	(10,260,797)
Adjustment: items relating to Convertible notes	852,657	-
(ii) Diluted profit from continuing operations	4,853,568	-
(iii) Total Comprehensive Income/(loss)	4,000,911	(10,260,797)
(b) Basic and diluted earnings per share	Cents	Cents
(i) Profit/(loss) from continuing operations attributable to the owners of the Company	21.82	(56.00)
(ii) Diluted Profit/(loss) from continuing operations	18.73	(56.00)
(iii) Total Comprehensive Income	21.82	(56.00)
(c) Weighted average number of ordinary shares used in the calculation of earnings per share	18,339,088	18,324,229
Weighted number of all shares, including dilutive convertible securities used in the calculation of diluted earnings per share.	25,908,622	18,324,229
17. Auditor's remuneration		
Remuneration of the Auditor of the Company for:		
Audit or reviewing the financial statements	20,542	20,516
Total remuneration of Auditor	20,542	20,516

18. Financial risk management

The Company is exposed to a variety of financial risks through its use of financial instruments.

The Company's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets. The Company does not speculate in financial assets.

The Company's overall risk management program focuses on the volatility of the financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk governance is managed through the Board which provides direct oversight on the Company's risk management framework and overall risk management performance.

The Board provides written principles for risk management covering investment portfolio composition. Risk is managed by the professional, disciplined management of the investment portfolio by ECP Asset Management Pty Ltd (the Manager).

The Company held the following financial instruments:

	Note	2023 \$	2022 \$
Financial Assets			
Cash and cash equivalents	8	1,893,100	2,904,468
Receivables	9	253,369	116,815
Financial Assets at fair value	10	30,709,476	28,522,162
Total Financial Assets		32,855,945	31,543,445
Financial Liabilities			
Trade and Other Payables	11	51,266	532,012
Convertible notes	13	9,151,485	8,751,178
Total Financial Liabilities		9,202,751	9,283,190

(a) Market risk

Foreign exchange risk

The Company operates entirely within Australia and is not exposed to material foreign exchange risk.

Equity market risk

The Company is exposed to risk of market price movement through its investments in Australian listed equity securities. Equity investments held by the Company are classified on the Statement of Financial Position as Financial Assets at fair value through Profit or Loss and any movement in the listed equity securities is reflected in the Statement of Profit or Loss.

The risk to Shareholders is that adverse equity securities market movements have the potential to cause losses in Company earnings or the value of its holdings of financial instruments. The Manager's investment strategy centres on the view that investing in proven high quality businesses with growth opportunities arising from their sustainable competitive advantage will outperform over the longer-term. Consistent with this approach, the Manager has an established risk management framework that includes procedures, policies and functions to ensure constant monitoring of the quality of the investee companies. The objective of the risk management framework is to manage and control risk exposures within acceptable parameters while optimising returns.

Equity market risk is measured as a percentage change in the value of equity instruments held in the portfolio, as compared to the total market index for the same period.

The Company's exposure to equity market risk over the Manager's investment horizon at the end of the reporting period is:

	2023	2022
Portfolio return since inception	12.7%	13.6%
ASX Small Ordinaries Index return	-0.5%	2.3%

Notes to the Financial Statements

Financial report for the year ended 30 June 2023

(b) Sensitivity analysis

Increases/decreases in an equity security's price, affect the Company's asset retained earnings for the year. The analysis is based on the assumption that the Financial Assets at fair value through Profit or Loss had increased/decreased by 5% (2022: 5%) with all other variables held constant.

Impact on Profit or Loss for the year:

2023 +/- \$1,535,474

2022 +/- \$1,426,108

(c) Cash flow interest rate risk

The Company is exposed to cash flow interest rate risk from holding cash and cash equivalents at variable rates. The Company does not enter into financing activities which would expose it to interest rate fluctuations on borrowed capital. Interest on convertible notes is fixed for 3 years in accordance with the note terms.

Revenue from interest forms a very minor portion of the Company's income and therefore exposure to interest rate risk is not significant.

As at the reporting date, the Company had the following cash and cash equivalents:

30 June 2023:

Balance \$1,893,100

Weighted average interest rate 2.38%

30 June 2022:

Balance \$2,904,468

Weighted average interest rate 0.02%

(d) Relative performance risk

The Manager aims to outperform the risk-free cash rate over the long-term. However, as the portfolio consists of equity investments these will tend to be more volatile than cash, so there will likely be periods of relative under and over performance compared to the benchmark risk free rate.

Over the long-term the Manager is confident that the portfolio can achieve outperformance through an investment selection process that invests in companies that have a sound business model, display a sustainable competitive advantage and have proven quality management.

(e) Credit risk

Credit risk is the risk of a counterparty defaulting on their financial obligations resulting in a loss to the Company. The objective of the Company is to minimise credit risk exposure. Credit risk arises from cash and cash equivalents and Financial Assets at fair value Profit or Loss. Credit risk is managed by the Manager.

Credit risk arising from cash and cash equivalents is managed by only transacting with counterparties independently rated with a minimum rating of A. The providers of financial services to the Company are rated as AA by Standard and Poor's. Credit risk on cash and cash equivalents is deemed to be low.

Credit risk arising from Financial Assets at fair value Profit or Loss relates to the risk of counterparties on the ASX defaulting on their financial obligations on transactions for Australian listed equity securities. The credit risk for these transactions is deemed to be low.

The maximum credit risk exposure of the Company at year end is the carrying value of the assets in the Statement of Financial Position.

There is no concentration of credit risk with respect to financial assets in the Statement of Financial Position.

(f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

The objective of the Company is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under both normal and distressed conditions.

Prudent liquidity risk management implies maintaining sufficient cash and marketable Australian listed equity securities.

The Manager controls liquidity risk by continuously monitoring the balance between equity securities and cash or cash equivalents and the maturity profiles of assets and liabilities to ensure this risk is minimal.

19. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The capital structure of the Company consists of equity attributable to members of the Company. The Board monitors the return on capital, which is defined as net operating income divided by total Shareholders' Equity. The Board also monitors the level of dividends to Shareholders.

The capital of the Company is invested by the Investment Manager in accordance with the investment policy established by the Board. The Company has no borrowings beyond the convertible notes issued last year. It is not subject to any externally imposed capital requirements.

There were no changes in the Company's approach to capital management during the year.

20. Fair value measurements

The Company measures the following assets and liabilities at fair value on a recurring basis after initial recognition:

- Financial Assets at Fair Value through Profit or Loss (FVTPL).

Fair value hierarchy

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included with level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Company:

Recurring fair value measurements

30 June 2023	Financial Assets FVTPL – Listed Equity Securities
Level 1	30,709,476
Level 2	-
Level 3	-
Total	30,709,476

30 June 2022	Financial Assets FVTPL – Listed Equity Securities
Level 1	28,522,162
Level 2	-
Level 3	-
Total	28,522,162

Transfers between levels of hierarchy

There were no transfers between levels of the fair value hierarchy.

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

Notes to the Financial Statements

Financial report for the year ended 30 June 2023

21. Related party transactions

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with other related parties:

	2023 \$	2022 \$
J D Pohl has an interest in the transactions as during the year J D Pohl was a Director and employee of ECP Asset Management Pty Ltd, the Manager.		
A Performance Fee payable in accordance with the Management Services Agreement as detailed in Note 22.	-	-
A Management Fee of 1% per annum is paid or payable as detailed in Note 22.	348,005	350,574
Company Secretary fees paid or payable as detailed in Note 22.	36,900	36,900

22. Management services agreement

In accordance with the Management Services Agreement, the Company agreed to engage the Manager to provide primary, secondary and tertiary management services, including:

- 1) managing the investment of the Company's portfolio, including keeping it under review;
- 2) ensuring investments by the Company are only made in authorised investments;
- 3) complying with the investment policy of the Company;
- 4) identifying, evaluating and implementing the acquisition and disposal of authorised investments;
- 5) provide the Company with quarterly investment performance reporting;

6) promoting investment in the Company by the general investment community;

7) providing investor relationship services; and

8) provision of office services, corporate support and information technology services support.

9) Provision of company secretarial services.

The agreement may be terminated if:

- a) either party ceases to carry on business, or
- b) either party enters into liquidation voluntarily or otherwise, or
- c) either party passes any resolution for voluntary winding-up, or
- d) a receiver of the property of either party, or any part thereof, is appointed, or
- e) the Shareholders of the Company at a general meeting called for that purpose, resolve by ordinary resolution to terminate this agreement, or
- f) if the Company provides written notice to the Manager in the event of any material and substantial breach of the agreement by the Manager or if the Manager fails to remedy a breach of this agreement within 14 days following written notice of the breach.
- g) if the Manager provides 3 months written notice to the Company in the event of any material and substantial breach of the agreement by the Company or if the Company fails to remedy a breach of this agreement within 14 days following written notice of the breach.

Under the agreement the Manager will receive a management fee of 1% per annum on the portfolio net asset value of the Company. In addition, a performance fee, payable annually in arrears, equal to 20% of the amount by which the Company's net performance before tax (that is, after all costs and outlays but before the calculation of the performance fee) exceeds the Benchmark of 8% subject to a high-water mark. If the Company's net performance in the year is less than the Benchmark, then no performance fee will be payable.

23. Key management personnel disclosures

	2023 \$	2022 \$
The Company has no staff and therefore has no Key Management Personnel other than the Directors.		
No member of Key Management Personnel held options over shares in the Company during the year.		
There have been no other transactions with Key Management Personnel or their related entities other than those disclosed in Note 21.		
The total remuneration paid to the Directors of ECP Emerging Growth Limited during the year were as follows:		
Short-term Employment benefits	128,125	128,125

Detailed remuneration disclosures are provided in sections (A) – (F) of the remuneration report on pages 14 and 15.

24. Cash flow information

Reconciliation of net income for the year to net cash provided by operating activities:

	2023 \$	2022 \$
Profit/(loss) for the year	4,000,911	(10,260,798)
Cash flows included in profit attributable to investing activities		
Net (gain)/loss on sale of financial assets	1,468,743	(4,339,872)
Non-cash flows in profit		
Interest expense on convertible notes	400,307	83,445
Net unrealised (gain)/loss on financial assets at fair value	(5,937,231)	15,126,997
Changes in assets and liabilities		
(increase)/decrease in trade and other receivables	25,731	(37,866)
increase/(decrease) in trade and other payables	634	(2,152,541)
increase/(decrease) in current tax payable	(1,108,611)	(717,605)
(increase)/decrease in current tax receivable	(608,678)	-
increase/(decrease) in net deferred tax liabilities	-	(2,088,072)
(increase)/decrease in net deferred tax assets	17,102	-
Cash flow from operations	(1,741,092)	(4,386,312)

Notes to the Financial Statements

Financial report for the year ended 30 June 2023

25. Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2023 (30 June 2022: None).

26. Events occurring after the reporting date

No matters or circumstances have arisen since the end of the financial year which 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 future financial years.

Subsequent to year-end on 22 August 2023, the Directors declared a final 2023 fully franked ordinary share dividend of 2.9 cents per share.



Directors' Declaration

The Directors of the Company declare that:

a) the Financial Statements and Notes set out on pages 22 to 44 are in accordance with the Corporations Act 2001, including:

- (i) complying with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
- (ii) give a true and fair view of the financial position as at 30 June 2023 and of the performance for the year ended on that date; and

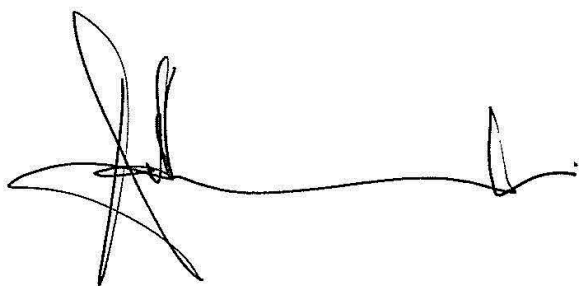
in the Directors' opinion,

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; and

c) the remuneration disclosures set out on pages 14 and 15 of the Directors' Report (as part of the audited remuneration report) for the year ended 30 June 2023 comply with section 300A of the Corporations Act 2001.

The Directors have been given the declaration by the Chief Financial Officer required by section 295A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors by:

A handwritten signature in black ink, appearing to read 'Murray H d'Almeida', with a long horizontal line extending to the right.

Murray H d'Almeida

Director

22 August 2023

For personal use only



Auditor's Independence Declaration



ECP EMERGING GROWTH LIMITED
ABN 30 167 689 821

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

I declare that, to the best of my knowledge and belief during the year ended 30 June 2023, there have been:

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

CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888

A handwritten signature in blue ink, appearing to be 'G. Georgiou', written over a light blue circular stamp.

GEORGE GEORGIOU FCA
MANAGING DIRECTOR

Dated this 22nd day of August, 2023.

Connect National Audit Pty Ltd is an Authorised Audit Company
ABN 43 605 713 040

Head Office: Level 14, 333 Collins St, Melbourne VIC 3000

Gold Coast Office: Level 9, Wyndham Corporate Centre, 1 Corporate Court, BUNDALL,
QUEENSLAND, 4217

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Liability limited by a scheme approved under Professional Standards Legislation

w: www.connectauditqueensland.com.au

ECP EMERGING GROWTH LIMITED
ABN 30 167 689 821

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ECP EMERGING GROWTH LIMITED
(Page 1 of 4)**

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ECP Emerging Growth Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of ECP Emerging Growth Limited 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 2023 and of its financial performance for the year then ended; 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 (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

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 for the year ended 30 June 2023. 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.

ECP EMERGING GROWTH LIMITED
ABN 30 167 689 821

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ECP EMERGING GROWTH LIMITED
(Page 2 of 4)**

KEY AUDIT MATTER	HOW THE KEY AUDIT MATTER WAS ADDRESSED IN OUR AUDIT
Financial Assets at Fair Value Through Profit or Loss Refer to Notes 2(e) and 10 to the financial statements As at 30 June 2023 the Company's statement of financial position includes financial assets at fair value through profit or loss of \$30,709,476. For the year ended 30 June 2023 the Company's statement of profit or loss and other comprehensive income includes net unrealised loss on financial assets at fair value of \$2,544,557. We focused on this area as a key audit matter due to the amounts involved being material.	Our procedures included, inter alia: - Inspecting externally prepared documentation to verify the valuation of the portfolio as at 30 June 2023. - Randomly and judgmentally selecting investments and agreeing dividends and closing market value to third party evidence. - Recalculating the movement in fair value for the year. - Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 7 and AASB 9.
Tax and Income Tax Expense Refer to Note 7 and 12 to the financial statements The Company recognises deferred tax liabilities and deferred tax assets. As at 30 June 2023 the net deferred tax asset included in the statement of financial position amounted to \$67,783 (2022: net deferred tax assets \$84,885). Current tax payable as at 30 June 2023 included in the statement of financial position amounted to \$nil (2022:\$1,108,611). We focused on this area as a key audit matter due to the amounts involved being material.	Our procedures included, inter alia: - Reviewing the Company's taxation calculations for accuracy, completeness and compliance with AASB 112. - Review of the appropriateness of the Company's disclosures in the financial report in accordance with AASB 112.
Performance Fee and Management Fee Refer to Notes 21 and 22 to the financial statements For the year ended 30 June 2023 the Company's statement of profit or loss and other comprehensive income includes a performance fee of \$nil (2022: \$nil), a management fee of \$348,005 (2022: \$350,574) and a company secretarial fee of \$36,900 (2022: \$36,900). The Company pays, in accordance with a management service agreement with a related party, a performance fee, management fee and company secretarial fee. We focused on this area as a key audit matter due to the nature of the relationship.	Our procedures included, inter alia: - Reviewing the management service agreement. - Reviewing the Company's performance, and management fee calculations. - Reviewing the appropriateness of the Company's disclosures in the financial report in accordance with AASB 124.
Host Liability – Convertible Notes Refer to Notes 2(e) and 13 to the financial statements. As at 30 June 2023 the Company's statement of financial position includes the following in relation to convertible notes: Non- current liabilities: Convertible Notes of \$9,151,485 Equity: Option premium on convertible notes \$1,848,766 On the 12th of April 2022, the Company issued 7,569,534 Convertible Notes. These compound financial instruments are able to be converted to share capital at the option of the noteholder in accordance with the Note Terms. After initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. We have identified this area as a key audit matter due to the amounts involved being material.	Our procedures included, inter alia: - Assessed whether the subsequent valuation of the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. - Reviewed the adequacy and appropriateness of the Company's disclosures in the financial report. - Reviewed the appropriateness of the Company's disclosures in the financial report in accordance with AASB 9.

**ECP EMERGING GROWTH LIMITED
ABN 30 167 689 821**

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ECP EMERGING GROWTH LIMITED
(Page 3 of 4)**

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 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Matters Relating to the Electronic Presentation of the Audited Financial Report

This auditor's report relates to the financial report of ECP Emerging Growth Limited for the year ended 30 June 2023, intended to be included on the Company's website. The Company's directors are responsible for the integrity of the Company's website. We have not been engaged to report on the integrity of the Company's website. The auditor's report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the website.

Responsibility 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, omitting, misstating or obscuring them, could reasonably be expected to influence the decisions of primary users taken on the basis of this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

ECP EMERGING GROWTH LIMITED
ABN 30 167 689 821

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ECP EMERGING GROWTH LIMITED
(Page 4 of 4)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors and management.
- Conclude on the appropriateness of directors and management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosure in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transaction and events in a manner that achieves fair presentation.

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the remuneration report included in pages 14 to 15 of the directors' report for the year ended 30 June 2023.

In our opinion the remuneration report of ECP Emerging Growth Limited for the year ended 30 June 2023 complies with s300A 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 s300A 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.

CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888



GEORGE GEORGIU FCA
MANAGING DIRECTOR

Dated this 22nd day of August 2023.

Shareholder Information

ECP Emerging Growth has only one class of equity security, being Fully Paid Ordinary Shares.

The Shareholder information set out below was applicable as at 8 August 2023.

1. Twenty largest shareholders

Shareholders	Ordinary Shares	%
CITICORP NOMINEES PTY LIMITED	5,442,638	29.68%
EVJ HOLDINGS PTY LTD <EDWINA A/C>	610,000	3.33%
CARMANT PTY LTD <CARMANT SUPER FUND A/C>	442,836	2.41%
JCHP INVESTMENTS PTY LTD <PAGE EMPLOYEES SF A/C>	384,769	2.10%
THINK SQUARE PTY LTD	320,000	1.74%
GRAHAM NEWMAN PTY LTD	288,983	1.58%
MR DAVID COOPER & MS ADRIENNE WITTEMAN <PRIVATE SUPER FUND A/C>	239,416	1.31%
MERMON PTY LIMITED <MERMON A/C>	206,000	1.12%
LIS PRIVATE PTY LTD <THE LIS PRIVATE UNIT A/C>	200,583	1.09%
MR COLIN WEEKES	183,601	1.00%
MR GRANT DAVID NEWTON & MRS KATHYRN JANE CLARK	168,781	0.92%
POHL FOUNDATION PTY LTD <THE POHL FOUNDATION A/C>	161,000	0.88%
CASTLE PARTNERS PTY LTD	159,050	0.87%
RUFF SUPER PTY LTD <MARK RUFF SUPER FUND A/C>	156,054	0.85%
MR GUILLAUME JOHANNES SWIEGERS	154,073	0.84%
MAURBRU SUPER PTY LTD <MAURBRU SUPER FUND A/C>	150,000	0.82%
KAMILAROI INVESTMENTS PTY LTD	150,000	0.82%
MUTUAL TRUST PTY LTD	150,000	0.82%
B SMARTYPANTS PTY LTD <B & K SMARTYPANTS A/C>	150,000	0.82%
FIRTHY PTY LTD <THE FIRTH SUPER FUND A/C>	150,000	0.82%
Total	10,568,623	57.63%

2. Distribution of securities

Distributions	Number of Shareholder	% of shares
1 to 1,000	47	0.1%
1,001 to 5,000	71	1.1%
5,001 to 10,000	49	2.1%
10,001 to 100,000	193	36.7%
100,001 and over	29	60.0%
Total	389	100%

Holdings of less than a marketable parcel	27	-
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3. Substantial shareholdings

The names of the Shareholders who have notified the Company of a substantial holding in accordance with section 671B of the Corporations Act 2001 are:

Substantial Shareholder	Number of Shares	% of Total
EC Pohl & Co Pty Ltd	5,447,942	29.7%

4. Voting rights

On a show of hands every Shareholder present in person or by proxy shall have one vote and upon a poll each share shall have one vote.

5. On-market buy back

There is no current on-market buy back.

Investments

1. Holdings of securities as at 30 June 2023

Individual investments at 30 June 2023 are listed on the following page. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share at other dates. Individual holdings in the portfolio may change during the course of the year.

2. Transactions and brokerage

There were 296 (2022: 261) transactions in securities during the year on which brokerage of \$111,420 (2022: \$110,544) was paid.



ASX Code	Company	Shares	Market Value \$	%
Ordinary shares				
AD8	Audinate Group Limited	34,802	323,310.58	0.99
ALU	Altium Limited	27,145	1,002,193.40	3.06
ARB	ARB Corporation Limited	34,716	992,877.60	3.03
CAR	Carsales.Com Limited	78,171	1,862,033.22	5.68
CTD	Corporate Travel Management Limited	100,290	1,794,188.10	5.48
DMP	Domino's Pizza Enterprises Limited	55,504	2,577,050.72	7.87
FCL	Fineos Corporation Holdings PLC	472,556	1,049,074.32	3.20
FPH	Fisher & Paykel Healthcare Corporation Limited	39,616	892,944.64	2.73
GQG	GQG Partners Inc.	2,130,174	2,950,290.99	9.01
HUB	HUB24 Limited	94,257	2,398,840.65	7.32
IEL	Idp Education Limited	113,929	2,517,830.90	7.69
JDO	Judo Capital Holdings Limited	1,806,403	2,140,587.56	6.54
LOV	Lovisa Holdings Limited	77,570	1,497,101.00	4.57
MP1	Megaport Limited	138,996	1,003,551.12	3.06
NAN	Nanosonics Limited	152,939	724,930.86	2.21
NWL	Netwealth Group Limited	121,557	1,682,348.88	5.14
NXL	Nuix Limited	697,934	593,243.90	1.81
PWH	Pwr Holdings Limited	178,831	1,550,464.77	4.73
REA	REA Group Ltd	11,705	1,674,166.15	5.11
SKO	Serko Limited	113,267	387,373.14	1.18
WTC	Wisetech Global Limited	13,721	1,095,073.01	3.34
			30,709,475.51	93.76
Cash				
Cash (including dividends receivable and unsettled trades)			2,044,652.40	6.24
Total			32,754,127.91	100.00

Corporate Directory

ECP Emerging Growth Limited

ABN 30 167 689 821
Registered in Queensland on
23 January 2014.

Website address

www.ecpam.com/emerging

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Board of Directors

Murray H. d'Almeida
Non-Executive Chairman

David C. Crombie AM
Non-Executive Director

Jared D. Pohl
Executive Director

Company Secretary

Scott W. Barrett

Registered office

Level 12
Corporate Centre One
2 Corporate Court
Bundall QLD 4217

Toll Free: 1800 352 474
Fax: +61 (0) 2 8651 6899
Email: info@ecpam.com

Postal address

PO Box 7536
Gold Coast Mail Centre
Bundall QLD 9726

Auditors

Connect National Audit Pty Ltd

Level 9
Wyndham Corporate Centre
1 Corporate Court
BUNDALL QLD 4217

Solicitors

McCullough Robertson Lawyers

Level 32 MLC Centre
19 Martin Place
Sydney NSW 2000

Investment Manager

ECP Asset Management Pty Ltd
ACN 158 827 582

Level 4, The Pavilion
388 George Street
Sydney NSW 2000

Authorised Representative of
EC Pohl & Co Pty Ltd
ACN 154 399 916 AFSL 421704

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Share Registry

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