First Growth Funds Limited
ABN 34 006 648 835

Annual Report - 30 June 2018

Directors	Mr Geoff Barnes (Chairman) Mr Athan Lekkas Mr Michael Clarke Mr Anoosh Manzoori Mr Daniel Zhang
Company Secretary	Mrs Julie Edwards
Registered office	Level 5 56 Pitt Street Sydney NSW 2000
Principal place of business	Level 5 56 Pitt Street Sydney NSW 2000
Share register	Automic Registry Services Level 3, 50 Holt Street Surry Hills NSW 2010
Auditor	Pitcher Partners Level 38, Central Plaza, 345 Queen Street Brisbane QLD 4001
Stock exchange listing	ASX Code: FGF
Website address	www.firstgrowthfunds.com

Financial Performance

The net consolidated operating loss of the economic entity for the financial year, after providing for income tax, was $823,090 compared with a loss for the 2017 year of $872,389. Total assets are $11,762,313 as at 30 June 2018 ($2,120,269 as at 30 June 2017) and net assets are $11,650,164 as at 30 June 2018 ($2,041,693 as at 30 June 2017).

Our Business

First Growth Funds (FGF) is an ASX listed investment company that manages a diversified portfolio of different asset classes including large and small cap listed equities, private equity and pre-IPO investments, blockchain equity investments, and Initial Coin Offerings.

The Board of Directors has been appointed to ensure an experienced and complimentary skillset exists for the benefit of the Company. The Directors have experience in seeking and managing investment opportunities, capital raisings, initial public offerings, blockchain and Initial Coin Offerings. The number of holdings in the portfolio will depend on market conditions, investment opportunities and investment strategy. The selection of stocks in the portfolio is based on attractive valuations along with suitable growth prospects.

Our Business Strategy

First Growth Funds invests in a broad range of asset classes, investment stages, industries and geographies. Its strategy is to look for ways to add value to its investments through deal structuring and by leveraging First Growth Funds' partner network. Additionally, First Growth Funds invests on the basis that it has some line of sight to liquidity for most of its investments, over a 24-month period, to return cash to the Company to support future investments.

First Growth Funds proactively manages each investment, from deal structure & negotiation, investment holding period, and facilitating the exit. This is particularly important for private investments and strategic placements in small cap listed companies.

In 2018, First Growth Funds launched its advisory business unit and implemented the business model of charging success and facilitation fees. The success fees of 6% to 8% are charged on small cap equity placements and capital raisings from private equity investments, blockchain equity investments, and token float deals. The facilitation fees of US$250,000 to US$350,000 are charged for token floats by leveraging First Growth Funds' partner network.

First Growth Funds facilitated the investment in ASX:CT1 from Penta Global. It was the first time a company invested its digital currency in the equity capital markets and received shares from a public company. First Growth Funds is entitled to a 6% success fee from facilitating the investment. Most recently, First Growth Funds secured an agreement from HCash Pty Ltd to invest up to $15 Million worth of HCash digital currencies and is entitled to receive a 6% success fee of up to $900,000.

For digital currencies, our strategy is to invest strategically with a particular focus on infrastructure opportunities that support the industry for the medium to long term. We tend to steer clear from consumer applications that may struggle with scale and regulatory changes. The blockchain and digital currency market is young and as it matures and moves more mainstream, companies will look for solutions that can provide the appropriate tools and infrastructure. First Growth Funds is focused on these infrastructure type investments that solve real problems for the industry and has potential for large-scale global deployments.

Some of our infrastructure related investments include:

- CryptoData Vault, a hardware wallet used to store digital currencies.
- EQI, an offshore banking solution for conversion and custody of crypto-currencies to fiat (USD).
- Acudeen and Bankorus, financing and investment platforms.
- Human Protocol, a big data solution.
- LINCD, a Blockchain as a Service platform for connecting legacy software to blockchain protocols.

First Growth Funds Limited
Operating Financial Report
30 June 2018

In 2018 financial year we saw extreme volatility in the price and market capitalisation of digital currencies. First Growth Funds is making investments in opportunities that don't necessary correlate with the broader market price of digital currencies. For instance, CryptoData Vault provides a hardware wallet to those wanting to store their digital currencies. The daily spot price and market capitalisation of the digital currencies stored on consumer wallets is expected to have little correlation to CryptoData Vault's token price or hardware sales, which is potentially advantageous in a bear market.

First Growth Funds is structuring its digital currency investments by minimising risk and exposure. Each investment is small relative to our total asset holdings, valuations are modest, and our success fees and facilitation fees can be higher than our investment amount.

First Growth Funds has chosen to hold a high level of cash for the majority of the year whilst making strategic investments across each asset class. First Growth Funds has also invested in select initial public offerings (IPOs) where growth and upside could be identified in the relative short term with suitable liquidity events within 24 months of investment.

The Company will continue to review suitable investment opportunities going forward and will continue to seek capital growth opportunities.

Prospects for future financial years

First Growth Funds will continue to look for quality strategic and sometimes situation based investment opportunities where it can add value. It will continue to invest across multiple asset classes and ensure diversity of its portfolio. The First Growth Funds advisory business unit has growth potential and will help diversify our revenue streams and also support working capital whilst waiting for investments to mature. The board is working to ensure First Growth Funds has a sustainable business model and is well positioned for growth.

In a number of our blockchain related investments, First Growth Funds is the second or third largest token holder and needs to properly manage its exit. First Growth Funds' short-term goal is to return its cash investment plus profit from each blockchain investment and then steadily exit the balance as soon as practical over the short to medium term.

As each of First Growth Funds blockchain related investments lists on digital currency exchanges, it will accumulate a very large inventory of digital currencies available for sale. First Growth Funds will look for liquidity and sell its digital currencies into fiat currency (AUD or USD) as soon as practical. Liquidity can be done via the digital currency exchanges or by Over The Counter (OTC) private placements to investors. First Growth Funds is also investigating other strategic liquidity pathways.

First Growth Funds will continue to seek opportunities in private investments including Pre-IPO, and also continue to make strategic investments in small cap listed companies where it can provide both capital and strategic value from its partner network. First Growth Funds will also continue to trade equities in both large cap and small cap listed companies to provide dividend income and capital gains.

On behalf of the directors

Geoff Barnes
Director

27 September 2018

The directors present their report on the consolidated entity consisting of First Growth Funds Limited and the entities it controlled for the year ended 30 June 2018. These Financial Statements cover the period from 1 July 2017 to 30 June 2018.

Principal activities

The Company manages a diversified portfolio of different assets and classes including large and small cap listed equities, private equity and pre-IPO investments, blockchain equity investments, and Initial Coin Offerings.

Directors

The following persons were directors of First Growth Funds Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

- Geoff Barnes
- Athan Lekkas
- Michael Clarke
- Anoosh Manzoori (appointed 14 December 2017)
- Daniel Zhang (appointed 13 March 2018)

Operating Results

The operating loss of the consolidated entity after providing for income tax was $823,090 (30 June 2017: $872,389).

Dividends

There were no Dividends paid during the 2018 financial year.

Information on Directors

Set out below is information on all the Directors of the Company.

Mr. Geoff Barnes *(Chairman of the Board: Appointed 16 May 2014)*

Mr. Barnes is a Founder and Director of Peloton Capital Pty Ltd ("Peloton"), where he has responsibility for equity markets, stockbroking operations and corporate transactions. Prior to that he was employed for 9 years at Macquarie Private Wealth (Sydney) as an investment adviser and then Division Director, specialising in all commercial aspects of bringing projects to market, predominantly in the energy sector.

Mr. Barnes does not fulfil the role of an independent director as he is a major shareholder of the Company.

Other Current Directorships:
Nil

Former Directorships in last 3 years:
Nil

Mr. Athan Lekkas (Non-Executive Director: Appointed 16 July 2012)

Mr. Lekkas has participated in a broad range of business and corporate advisory transactions, and is a former founding Director of Energio Limited, an Iron Ore company in West Africa. Mr. Lekkas has more recently focused and specialised on the restructure and recapitalisation of a wide range of ASX Listed companies with a specific interest in the resources sectors and is also a Member of the Australian Institute of Company Directors.

Mr. Lekkas fulfils the role of an independent director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with the independent exercise of judgement.

Other Current Directorships:
Nil

Former Directorships in last 3 years
Xped Limited

Mr. Michael Clarke (Non-Executive Director: Appointed 19 May 2014)

Mr. Clarke has over 18 years' experience in the IT industry and has worked across both public and private enterprise during his career. Mr. Clarke has broad experience in the development and management of enterprise and complex systems and worked at many senior levels during this time. He has consulted and provided services to a variety of industries including manufacturing, mining and resources, government and education.

Mr. Clarke fulfils the role of an independent director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with the independent exercise of judgement.

Other Current Directorships
Nil

Former Directorships in last 3 years
Xped Limited

Mr. Anoosh Manzoori (Executive Director: Appointed 14 December 2017)

Anoosh holds a Bachelor of Science (Monash University), Graduate Diploma Business Enterprise (University of Adelaide). He is also member of the Australia Institute of Company Directors.

He is the Founder and Director of Shape Capital Pty Ltd, an advisory and venture investment firm, and an Expert Network Member of the Department of Industry, Innovation and Science, supporting local innovative companies.

Anoosh has extensive commercial and investment experience and has worked across many industry verticals with a particular interest in technology companies. Anoosh has been involved in ICO, Digital Currency and Blockchain technology since 2015. Anoosh previously founded the second largest cloud hosting company in Australia that reached 75,000 customers, in just 5 years of operation. One in ten Australian websites were hosted on the platform before the Company was sold to MYOB Limited in 2008.

Other Current Directorships
CCP Technologies Ltd

Former Directorships in last 3 years
Nil

Mr. Daniel Zhang (Non-Executive Director: Appointed 13 March 2018)

Daniel holds a Bachelor Engineering (University of Birmingham (UK)) and a Masters Information Systems & Management (University of Warwick (UK)).

Daniel is currently the Chief Operations Officer (COO) of Blockshine, a leading China based communications company specialising in Blockchain Technology. His experience and background in Internet service history includes Big Data, Supply Chain, Retail Industry, Internet Product Manager & Operation Management, Finance & Accounting, Computer Networking Engineering and also Information System management. Mr. Zhang joined the cryptocurrency world in early 2017 and started to work in the Blockchain industry and related business including Initial Coin Offers (ICOs). He runs the End-to-End ICO solutions for all clients globally. Daniel's experience includes founder and CEO of TagU Social Network media platform for sharing of photos, Project Manager of Big Data program at Tesco China and Product Director of Penguin Guide, a Chinese Food, wine and lifestyle social media platform.

Mr. Zhang fulfils the role of an independent director as he is free from any business or other relationship that could materially interfere with, or reasonably be perceived to materially interfere with the independent exercise of judgement.

Other Current Directorships
Nil

Former Directorships in last 3 years
Nil

Mrs. Julie Edwards (Company Secretary: Appointed 1 September 2016)

Julie Edwards holds a Bachelor of Commerce degree, is a member of CPA Australia and holds a Public Practice Certificate. Ms Edwards is a director and manager of Lowell Accounting Services and also provides Company Secretarial services for a number of other ASX listed companies and unlisted companies.

Auditors

Pitchers Partners continues as the auditors for the company since last year's appointment. The Board selected Pitcher Partners as the Company's auditors based on the outcome of an audit tender process undertaken by the Director's.

Meetings of directors

The numbers of meetings of the company's Board of Directors and of each board committee held during the year ended 30 June 2018, and the numbers of meetings attended by each director were:

	Full Board	
	Attended	Held*
Geoff Barnes	7	7
Michael Clarke	7	7
Athan Lekkas	7	7
Anoosh Manzoori	5	5
Daniel Zhang	1	1

* Held represents the number of meetings held during the time the director held offices or was a member of the relevant committee. Remuneration and Audit Committees have been incorporated in the Board of Directors.

Remuneration Report (audited)

The remuneration report, which has been audited, outlines the key management personnel remuneration arrangements for the consolidated entity in accordance with the requirements of the Corporations Act 2001 and its regulations.

The Board remains confident that its remuneration policy and the level and structure of its executive remuneration are suitable for the company and its shareholders.

Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and specified executives of First Growth Funds Limited are set out in the following tables.

The key management personnel of the consolidated entity consisted of the directors of First Growth Funds Limited only.

	Short-term benefits			Post-employment benefits	Long-term benefits	Equity based payments		Proportion of remuneration that is performance based %
Name	Cash fees	Bonus	Non-monetary	Super-annuation	Long service leave	Equity settled	Total	
	$	$	$	$	$	$	$	
2018								
Executive Directors								
Anoosh Manzoori	49,694	-	-	-	-	544,156	593,850	88.4%
Non -Executive Directors:								
Geoff Barnes	95,000	-	-	-	-	-	95,000	-
Athan Lekkas	95,642	-	-	-	-	-	95,642	-
Michael Clarke	76,980	-	-	-	-	-	76,980	-
Daniel Zhang	18,065	-	-	-	-	-	18,065	-
2017								
Non -Executive Directors:								
Athan Lekkas	100,000	-	-	-	-	84,000	184,000	-
Geoff Barnes	100,000	-	-	-	-	84,000	184,000	-
Michael Clarke	80,000	-	-	-	-	28,000	108,000	-

All directors' remuneration is fixed.

Directors' fees were paid for invoices of services provided by the following entities or persons:

- Geoff Barnes
- Dalext Pty Ltd (Athan Lekkas is a director of this company.)
- Sparke Enterprises Pty Ltd (Michael Clarke is a director of this company.)
- Polygon Fund Pty Ltd (Anoosh Manzoori is a director of this company.)
- Daniel Zhang

Directors' Shares

The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2018	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Ordinary shares					
Geoff Barnes	128,750,000	-	34,356,848	(35,106,848)	**128,000,000**
Michael Clarke	9,272,727	-	5,757,575	-	**15,030,302**
Athan Lekkas	40,745,454	-	-	-	**40,745,454**
Anoosh Manzoori	-	60,000,000	-	-	**60,000,000**
Daniel Zhang	-	-	-	-	**-**

2017	Balance at the start of the year	Received as part of remuneration	Additions	Disposals	Balance at the end of the year
Ordinary shares					
Geoff Barnes	85,000,000	15,000,000	2,875,000	-	**102,875,000**
Michael Clarke	2,000,000	5,000,000	2,272,727	-	**9,272,727**
Athan Lekkas	13,200,000	15,000,000	12,545,454	-	**40,745,454**

Directors' Options

Details of options over ordinary shares issued to directors and other key management personnel during the year ended 30 June 2018 are set out below:

Directors' Listed Options:

	Balance at the start of the year		Increase during the year		Lapsed or Excluded during the year		Balance at the end of the year	
	Series "B" Expiry Feb 2018	Series "C" Expiry Feb 2018	Series "B" Expiry Feb 2018	Series "C" Expiry Feb 2018	Series "B" Expiry Feb 2018	Series "C" Expiry Feb 2018	Series "B" Expiry Feb 2018	Series "C" Expiry Feb 2018
Geoff Barnes	33,450,000	14,833,331	-	-	(33,450,000)	(14,833,331)	-	-
Michael Clarke	-	5,757,575	-	-		(5,757,575)	-	-
Athan Lekkas	6,000,000	19,181,816	-	-	(6,000,000)	(19,181,816)	-	-

Series "B" options were granted in March 2015 and series "C" options were granted in August 2016.

Directors' Unlisted Options:

	Balance at the start of the year	Increase during the year	Exercised, Lapsed or Excluded during the year	Balance at the end of the year
	Unlisted Options Expiry Mar 2020	Unlisted Options Expiry Mar 2020	Unlisted Options Expiry Mar 2020	Unlisted Options Expiry Mar 2020
Geoff Barnes	-	-	-	-
Michael Clarke	-	-	-	-
Athan Lekkas	-	-	-	-
Anoosh Manzoori *	-	10,000,000	-	10,000,000
Daniel Zhang	-	-	-	-

* These Options were Equity based payments and granted to Mr Manzoori as part of his director's remuneration as approved by the Extraordinary General Meeting in February 2018.

Unlisted options granted to Mr Manzoori

Grant date	Expiry date	Fair value at grant date	Balance as at 30 June 2017	Granted	Vested	Expired	Exercised	Balance as at 30 June 2018
13-Mar-18	12-Mar-20	$0.0019	-	10,000,000	10,000,000	-	-	10,000,000

Remuneration Strategy

The remuneration strategy of FGF is critical to achieving the Group's overall objective of profitable growth and quality of product through a strong performance culture. The directors consider that the structure adopted is designed to be competitive in the listed investment market so as to attract, motivate and retain the best executives available.

The core of FGF's remuneration philosophy seeks to focus on:

- Driving performance over and above shareholder and market expectations;
- Ensuring variable pay is very closely linked to the Group's performance and that individuals who contribute to this performance are appropriately rewarded; and
- Providing incentives for high performing individuals to align personal and corporate objectives over the medium to long-term through equity ownership;

The FGF remuneration framework will be structured in such a way as to drive ongoing superior performance and align executive and shareholder interests using other Listed Investment Companies as benchmarks. Key features of the proposed FGF remuneration structure include:

- **Fixed remuneration:** The level of fixed remuneration will be set so as to provide a base level of remuneration which is both appropriate to the position and is competitive in the market.

- **Incentive Plans:** First Growth Funds does not currently have either a Short-Term Incentive Plan or a Long-Term Incentive Plan in place, however the Company may look to introduce these in future years.

Service and Consultancy Agreements

Anoosh Manzoori (Executive Director)
The Company entered into a consultancy agreement with Polygon Fund Pty Ltd Pty Ltd and Mr Manzoori which commenced on 14 December 2017 with a remuneration package of $90,000 per annum. The agreement can be terminated either party with three months' notice or three months payment is lieu of such notice.

Geoff Barnes (Non-executive Director)
The Board agreed to a remuneration package of $60,000 per annum for non-executive directors' fees Mr Lekkas may be awarded additional remuneration for any work performed outside of his non-executive duties.

Athan Lekkas (Non-executive Director)
The Company entered into a consultancy agreement with Dalext Pty Ltd and Mr Lekkas which commenced on 1 June 2016 with a remuneration package of $60,000 per annum. The agreement can be terminated by written agreement between the parties or on cessation of directorship. Mr Lekkas may be awarded additional remuneration for any work performed outside of his non-executive duties.

Michael Clarke (Non-executive Director)
The Company entered into a consultancy agreement with Sparke Enterprises Pty Ltd and Mr Clarke which commenced on 1 June 2016 with a remuneration package of $60,000 per annum. The agreement can be terminated by written agreement between either parties or on cessation of directorship. Mr Clarke may be awarded additional remuneration for any work performed outside of his non-executive duties.

Daniel Zhang (Non-executive Director)
The Board agreed to a remuneration package of $60,000 per annum for non-executive directors' fees.

Earnings

The earnings of the consolidated entity for five years to 30 June 2018 are summarised below:

Year Ended 30th June	2018	2017	2016	2015	2014
EBITDA	(823,090)	(912,539)	(491,202)	(181,622)	970,072
EBIT	(823,090)	(912,539)	(491,202)	(181,622)	970,072

The factors that are considered to affect total shareholders return ("TSR") are summarised below:

Year Ended 30th June	2018	2017	2016	2015	2014
Share's Price in cents	0.008	0.004	0.007	0.006	n/a
Dividends Declared	Nil	Nil	Nil	Nil	Nil
EPS in cents	(0.076)	(0.106)	(0.106)	(0.054)	(0.542)

Options

First Growth Funds Limited's unexpired option at the date of this report are as follows:

Allocation Date	Expiry Date	Ex Price $	Option Class	No. under Option
13 March 2018	12 March 2020	0.03	Unlisted	292,257,907

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

During the year 277,623,038 shares were issued on the exercise of options at $0.02 each.

This concludes the remuneration report that has been audited.

Indemnity and insurance of officers

The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company has received an invoice for a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor

The company has not, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services

The Board of Directors, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001 .7 The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for as the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110 : Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Pitcher Partners for non-audit services provided during the year ended 30 June 2018:

Details of non-audit services provided	Net amount invoiced
Taxation services	8,650
Other assurance services	10,611
Total	19,261

A copy of the auditor's independence declaration as required under 307C of the *Corporations Act 2001* is attached to this report.

Likely Developments and Expected Results from Operations

The Company does not expect a change in the nature of its operations and will continue as a Listed Investment Company (LIC), and to seek additional investment opportunities in a variety of asset classes, listed or unlisted companies, which it either believes are significantly undervalued, or where it believes it can add value through investment and management expertise.

Significant changes in the state of Affairs

There has been no significant change in the state of Affairs other that set out in the Operating Financial Report.

Matters subsequent to the end of the financial year

- The company announced on 17 July 2018 that it has invested $250,000 in CCP Technologies Limited (ASX:CT1) at 2 cents per share with a one for one free options attaching exercisable at 3 cents. CT1's technology is fully developed, generating revenue in Australia and USA, and they have secured notable channel partners including SigFox, Vodafone and Dicker Data Limited (ASX:DDR). As part of FGF's investment, Penta Global will co-invest in CT1. FGF will receive a capital raising fee for facilitating Penta Global's investment in CT1.

- On 18 July 2018 a refund of $214,834 was received from Datable Technologies Corporation due their subscription offer being undersubscribed.

- FGF announce on 29 August 2018 that it had successfully led an investment into YPB Group Limited (YPB). In consideration for structuring the investments FGF was entitled to fees up to US$350,000. As part of the transaction FGF will make a $500,000 convertible note investment in YPB.

- On 10 September 2018 FGF announced that it will assist HCash Tech invest up to $15 million in innovative companies listed on the ASX. Acting as a broker FGF will receive 6% or up to $900,000 in fees.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may have a significant effect on the financial operations of the company, the financial performance of those operations or the financial position of the company in the subsequent financial year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 15.

Rounding of amounts

Amounts in this report have been rounded off in to the nearest dollar in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 which permits amounts to be rounded at least to the nearest dollar.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Geoff Barnes
Director

27 September 2018

Corporate Governance Practices and Conduct

First Growth Funds Limited has published its Corporate Governance Statement on its website. It can be found at www.firstgrowthfunds.com/about/corporate-governance

Level 38, 345 Queen Street
Brisbane, Queensland 4000

Postal Address
GPO Box 1144
Brisbane, Queensland 4001

Tel +61 7 3222 8444
Fax +61 7 3221 7779
www.pitcher.com.au
info@pitcherpartners.com.au

Auditor's Independence Declaration

In relation to the independent audit of First Growth Funds Limited for the year ended 30 June 2018, to the best of my knowledge and belief, there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *Code of Ethics for Professional Accountants*.

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
27 September 2018

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First Growth Funds Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Income			
Revenue	3	**785,184**	(98,596)
Expenses			
ASX Fees		**(40,494)**	(21,021)
AFSL support and Secretarial fees		**(43,474)**	(61,920)
Director Fees		**(879,537)**	(400,440)
Legal fees		**(157,460)**	(1,813)
Professional Fees		**(116,589)**	(133,906)
Share Registry Costs		**(53,442)**	(18,195)
Travel		**(153,866)**	(36,543)
Other expenses		**(163,412)**	(99,955)
Loss before income tax expense from continuing operations		**(823,090)**	(872,389)
Income tax expense	4	**-**	-
Loss after income tax expense for the year		**(823,090)**	(872,389)
Other comprehensive income			
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**(823,090)**	(872,389)
Loss for the year is attributable to: Owners of First Growth Funds Limited		**(823,090)**	(872,389)
Total comprehensive income for the year is attributable to: Owners of First Growth Funds Limited		**(823,090)**	(872,389)

	Note	2018 Cents	2017 Cents
Earnings per share for loss attributable to the owners of First Growth Funds Limited			
Basic and diluted loss per share	25	**(0.076)**	(0.106)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

First Growth Funds Limited
Statement of Financial Position
As at 30 June 2018

	Note	Consolidated 2018 $	2017 $
Assets			
Current Assets			
Cash and cash equivalents	**5**	**8,024,964**	840,325
Other current assets	**6**	**214,834**	-
Trade and other receivables	**7**	**421,249**	399,944
Trading investments	**8**	**1,628,771**	530,000
Available for sale financial assets	**9**	**-**	350,000
Inventories	**10**	**224,880**	-
Total current assets		**10,514,698**	2,120,269
Non-current Assets			
Intangibles (Digital Currency)	**11**	**914,749**	-
Equity accounted investments (Cryto Data Vault)	**12**	**332,866**	-
Total non-current assets		**1,247,615**	-
Total assets		**11,762,313**	2,120,269
Liabilities			
Current liabilities			
Trade and other payables	**13**	**112,149**	78,576
Total current liabilities		**112,149**	78,576
Total liabilities		**112,149**	78,576
Net Assets		**11,650,164**	2,041,693
Equity			
Contributed equity	**14**	**67,155,788**	56,863,383
Share option reserve	**15**	**139,156**	296,347
Accumulated losses	**16**	**(55,644,780)**	(55,118,037)
Total equity		**11,650,164**	2,041,693

The above statement of financial position should be read in conjunction with the accompanying notes

First Growth Funds Limited
Statement of Changes in Equity
For the year ended 30 June 2018

	Contributed equity $	Share option reserve $	Accumulated losses $	Total equity $
Consolidated				
Balance at 1 July 2017	**56,863,383**	**296,347**	**(55,118,037)**	**2,041,693**
Loss after income tax expense for the year	**-**	**-**	**(823,090)**	**(823,090)**
Other comprehensive income for the year, net of tax	**-**	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**-**	**(823,090)**	**(823,090)**
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	**10,052,405**	**-**	**-**	**10,052,405**
Options issued to key management personnel	**-**	**19,156**	**-**	**19,156**
Milestone shares issued to key management personnel	**-**	**360,000**	**-**	**360,000**
Milestone shares converted to ordinary shares	**240,000**	**(240,000)**	**-**	**-**
Transfer of expired Options' value	**-**	**(296,347)**	**296,347**	**-**
Balance at 30 June 2018	**67,155,788**	**139,156**	**(55,644,780)**	**11,650,164**

	Contributed equity $	Share option reserve $	Accumulated losses $	Total equity $
Consolidated				
Balance at 1 July 2016	54,787,864	296,347	(54,245,648)	838,563
Loss after income tax expense for the year	-	-	(872,389)	(872,389)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(872,389)	(872,389)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 12)	2,075,519	-	-	2,075,519
Balance at 30 June 2017	56,863,383	296,347	(55,118,037)	2,041,693

The above statement of changes in equity should be read in conjunction with the accompanying notes

First Growth Funds Limited
Statement of Cash Flows
For the year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Cash flows from operating activities			
Proceeds from trading investments		**4,909,015**	1,502,176
Payments for trading investments		**(5,030,987)**	(2,629,195)
Payments for inventories (Digital Currency)		**(224,880)**	-
Payments to suppliers and employees		**(956,365)**	(577,006)
Interest received		**70,801**	20,493
Net cash used in operating activities	**24**	**(1,232,416)**	(1,683,532)
Cash flows from investing activities			
Payments for deposits for shares		**(214,834)**	-
Payments for equity accounted investments		**(332,866)**	-
Payments for intangibles		**(914,749)**	-
Net cash from investing activities		**(1,462,449)**	-
Cash flows from financing activities			
Proceeds from issue of shares		**4,455,911**	2,099,800
Proceeds from exercise of share options		**5,550,486**	-
Payments for issue of share		**(118,991)**	(220,281)
Repayment of borrowings		**-**	(15,145)
Net cash from financing activities		**9,887,406**	1,864,374
Net (decrease)/increase in cash & cash equivalents		**7,192,541**	180,842
Cash & cash equivalents at the beginning of the financial year		**840,325**	659,483
Effect of exchange rate movement		**(7,902)**	
Cash & cash equivalents at the end of the financial year	**5**	**8,024,964**	840,325

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all of the year's presented unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001 as appropriate for for-profit orientated entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The company is a public listed company, incorporated and domiciled in Australia.

Historical cost convention

The financial statements have been presented in Australian dollars and prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in Note 22.

Going Concern

The financial statements have been prepared on a going concern basis which contemplates continuation of normal trading activities and realisation of assets and settlement of liabilities in the normal case of business.

New Revised or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the and Australian Accounting Standards Board (AASB) that are mandatory for the financial period. Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity. Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of First Growth Funds Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. First Growth Funds Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. Control occurs when the Company is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct its activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases. Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. Refer to the 'business combinations' accounting policy for further details. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of comprehensive income and statement of financial position of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments

The Company currently has one operating segment.

Foreign currency translation

The financial report is presented in Australian dollars, which is First Growth Fund Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rate, which approximates the rate at the date of the transaction, for the period. All resulting foreign exchange differences are recognised in the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition

Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

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

Income tax

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

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

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or

- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

First Growth Funds Limited has no wholly-owned Australian subsidiaries and has not formed an income tax consolidated group under the tax consolidation regime.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 60 days.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the consolidated entity 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 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance 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.

Other receivables are recognised at amortised cost, less any provision for impairment.

Associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associates. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Investments and other financial assets

Investments and other financial assets are measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted. The fair values of quoted investments are based on current market prices.

Valuation
Trading securities are carried at fair value using price quotations in an active stock market.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mis-match. Except for effective hedging instruments, derivatives are also categorised as fair value through profit or loss. Fair value movements are recognised in profit or loss. The company's financial assets at fair value through profit or loss in the financial year were all held for trading financial assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets, principally equity securities that are either designated as available-for-sale or not classified as any other category. After initial recognition, fair value movements are recognised directly in the available-for-sale reserve in equity. Cumulative gain or loss previously reported in the available-for-sale reserve is recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; It becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

Available-for-sale financial assets are considered impaired when there has been a significant or prolonged decline in value below initial cost. Subsequent increments in value are recognised directly in the available-for-sale reserve.

Intangible digital assets

The company measures its digital assets which are pre-ICO at cost in accordance with AASB 138 Intangible Asset. For digital assets which are subject to ICO and become listed in an active market, the digital assets are transferred to inventories as these are deemed to be held for trading and are subsequently measured at the lower of cost and net realisable value.

Inventories

Inventories are measured at the lower of cost and net realisable value. The gross proceeds of sales are recorded in revenue with the cost of sales and any impairments recognised in a cost of digital assets sold.

Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at nominal amounts and not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs

All finance costs are expensed in the period in which they are incurred, including interest on short-term and long-term borrowing.

Employee benefits

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Equity-based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of First Growth Funds Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

Amounts in this report have been rounded off in to the nearest dollar in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 which permits amounts to be rounded at least to the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2018. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

The AASB has issued the following amended Accounting Standards that have mandatory application dates for future reporting periods. The directors have decided against early adoption of these Standards, but does not expect the adoption of these standards to have any impact on the reported position or performance of the Company.

AASB 9 Financial Instruments

AASB 9 includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test.

AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:

a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.

b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income.

c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8.

The mandatory application date of AASB 9 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2014-1.

Directors anticipate that the adoption of AASB 9 will not materially impact the Group's financial instruments.

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps:

a) identify the contract with a customer;

b) identify the separate performance obligations in the contract;

c) determine the transaction price;

d) allocate the transaction price to the separate performance obligations in the contract; and

e) recognise revenue when (or as) the entity satisfies a performance obligation.

Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.

The mandatory application date of AASB 15 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2015-8.

The entity is yet to undertake a detailed assessment of the impact of AASB 15. However, based on the Group's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2019.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 July 2019)
When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117*: Leases* and related Interpretations. AASB 16 introduces a single accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:
a) recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
b) depreciation of right-of-use assets in line with AASB 116:
c) Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
d) inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
e) application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
f) inclusion of additional disclosure requirements.
The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB or recognize the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The mandatory application date of AASB 16 has been deferred to annual reporting periods beginning on or after 1 January 2019 by AASB 2014-1.

Directors anticipate that the adoption of AASB 16 will not materially impact the Group's financial instruments.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events; management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Note 3. Revenue

	Consolidated	
	2018	2017
	$	$
Revenue		
Interest Income	**106,357**	40,493
Net gain / (loss) on financial assets at fair value through profit or loss	**678,827**	(139,089)
Revenue from operations	**785,184**	(98,596)

Note 4. Income tax expense

Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense from continuing operations	**(823,090)**	(872,389)
Tax at the Australian rate of 27.50% (2017: 27.50%)	**(226,350)**	(239,907)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	**-**	90
Deferred tax asset not recognised	**226,350**	239,817
Income tax expense	-	-

Potential tax benefits from tax losses have not been recognised as the directors do not believe the conditions for recovery can be met.

Franking credits available for subsequent financial years based on a tax rate of 27.50%	**7,159**	7,159

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 5. Cash and cash equivalents

Cash at bank	**8,024,964**	840,325

Note 6. Other current assets

Deposits for shares not yet issued	**214,834**	-

2,000,000 units @ CAD $0.105 per unit were subscribed for in Datable Technologies Corporation during the 2018 financial year. Each unit includes 1 share and 1 warrant per the purchase agreement. This amount was refunded on 18 July 2018 due to the offer being undersubscribed.

Note 7. Trade and other receivables

	Consolidated	
	2018	2017
	$	$
Trade receivable	**7,500**	-
GST receivable	**8,194**	5,680
Convertible notes receivable *	**350,000**	350,000
Interest receivable	**55,555**	20,000
Other receivables	**-**	24,264
Total Accounts Receivable	**421,249**	399,944

* The $350,000 was the payment on 13 January 2017 for Convertible Notes in Cloud Lumen Pty Ltd with a face value of $0.03 per note and convertible on a 1 share for 1 note basis. Notional interest accrues on a cap of $100,000 and payable on redemption or conversion notice only.

The Convertible Notes' redemption terms are as follows:

- Redeemable at any time pending the issue of a redemption notice by First Growth Fund Limited or at the maturity date which is 2 years after the subscription date or the occurrence of an early redemption event.

The Convertible Notes' conversion terms are as follows:

- The Notes will be eligible for conversion at any time up to the maturity date. The Conversion date is the date which is no later than 5 business days after the date on which a conversion notice is provided by First Growth Fund Limited.
- The Notes will be eligible for conversion on the occurrence of an Exit event which includes a listing event.

Note 8. Trading investments

Listed Securities at fair value *	**1,378,771**	530,000
Unlisted Securities at fair value **	**250,000**	-
	1,628,771	530,000

* The fair value of listed securities is established from quoted prices in the active market of the Australian Securities Exchange for identical assets in accordance with Level 1 of the fair value measurement hierarchy.

** The $250,000 was the unlisted shares subscribed for in Cloud Lumen Pty Ltd and represents the fair value.

Note 9. Available for sale financial assets

Convertible Notes at fair value	**-**	350,000

The $350,000 was the payment on 21 December 2016 for convertible notes in Pearl Global Pty Ltd with a face value of $1 per note and convertible on a 1 share for 1 note basis, these notes were converted to listed shares during the 2018 financial year.

Note 10. Inventories

	Consolidated	
	2018	2017
	$	$
Digital currency tokens held for sale	**224,880**	-

Digital currency tokens held for sale represents those tokens controlled by FGF that are exchange traded. They are carried at the lower of cost or net realisable value.

Note 11. Intangibles

Rights to digital currency tokens	**914,749**	-

The rights to digital currency tokens are carried at cost, representing the subscription price paid under various token subscription agreements entered into with the issuer, which provides FGF with a contractual right to be allocated tokens upon completion of an Initial Coin Offer (ICO).

Note 12. Equity accounted investments (Cryto Data Vault)

Crytodata Vault LLC	**332,866**	-

FGF holds a 50% shareholding in CryptoData Vault, a hardware wallet used to store digital currencies. Crypto Vault will hold the exclusive licence for sale and distribution of the hardware wallet Excalibur. As a founding member of CryptoData Vault, FGF will receive 10% of all Tokens and an additional 5.56% of all Tokens in consideration for the $332,866 (US$250,000) contribution. FGF will also receive a further 6% commission on the sale of CryptoData Vault's Tokens.

Note 13. Trade and other payables

Trade payables	**60,584**	78,576
Accruals	**51,565**	-
	112,149	78,576

Note 14. Contributed equity

	Consolidated		Consolidated	
	30/06/2018	**30/06/2018**	30/06/2017	30/06/2017
	No. of ordinary shares	**$**	No. of ordinary shares	$
Balance at the beginning of the financial period	**864,768,511**	**56,863,383**	516,920,050	54,787,864
25.07.16 Shares Issued at $0.0066 each	-	-	66,212,102	437,000
01.08.16 Shares Issued at $0.0066 each	-	-	35,000,000	231,000
12.08.16 Shares Issued at $0.0066 each	-	-	218,636,359	1,443,000
03.10.16 Shares Issued at $0.0066 each	-	-	28,000,000	184,800
Options exercised at $0.02 each	**277,623,038**	**5,552,460**	-	-
13.03.18 Shares issued at $0.012 each (i)	**353,567,748**	**4,714,704**	-	-
Milestone shares issued at fair value (ii)	**15,000,000**	**165,000**	-	-
Milestone shares entitled to be issued (iii)	**-**	**240,000**	-	-
Registry rounding adjustment	**(16)**	**-**	-	-
Less costs incurred from capital raising	**-**	**(379,759)**	-	(220,281)
Balance at end of the financial period	**1,510,959,281**	**67,155,788**	864,768,511	56,863,383

(i) The $4,714,704 includes $260,769 in shares issued to Blockchain Global Ltd for underwriting fees settled through the issue of 21,309,841 shares per the ASX release on 13 March 2018.

(ii) The $165,000 represents the grant date fair value of the 15,000,000 milestone shares granted to Manzoori Pty Ltd on 20 December 2017.

(iii) The $240,000 represents the grant date fair value of 15,000,000 Tranche A milestone shares granted to Manzoori Pty Ltd. The milestone was achieved on 31 May 2018, although these shares were not issued as at 30 June 2018

Capital risk management

The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the consolidated entity may return capital to shareholders, issue new shares or sell assets to reduce debt. The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2017 Annual Report.

Note 15. Share option reserve

	2018 $	2017 $
Share based payment reserve	**139,156**	296,384

Movements:		
Balance at beginning of year	**296,384**	-
Options issued to key management personnel	**19,156**	-
Milestone shares issued to key management personnel	**360,000**	-
Milestone shares converted to ordinary shares	**(240,000)**	-
Transfer of expired options	**(296,384)**	-
Balance at end of year	**139,156**	296,384

The share-based payments reserved is used to record the expenses associated with options and performance rights granted to employees and key management personnel under equity-settled share-based arrangements.

Note 16. Accumulated losses

Accumulated losses at the beginning of the financial year	**(55,118,037)**	(54,245,648)
Loss after income tax expense for the year	**(823,090)**	(872,389)
Transfer of expired options	**296,347**	-
Accumulated losses at the end of the financial year	**(55,644,780)**	(55,118,037)

Note 17. Share based payments

Share based payments expensed in the financial statements with respect to performance rights issued during the year.

Statement of Profit or Loss and Other Comprehensive Income

Share-based payments expense included in Directors fees	**(544,156)**	-

Share options

Options are granted on terms determined by the Directors or otherwise approved by the company at a general meeting. The options are granted for no consideration. Options are usually granted for a two or three year period and entitlement to the options are vested on a time basis and/or on a specific performance based criteria. Options granted as described above carry no dividend or voting rights. When exercised, each option is converted to one ordinary share.

The amount assessed as fair value at the grant date is allocated equally over the period from grant date to vesting date. Fair values at grant date are determined using the Black-Scholes options pricing method that considers the exercise price, the term of the option, the vesting and market related criteria, the impact of dilution, the non-tradable nature of the option, the share price at grant date and the risk of the underlying share and the risk-free interest rate for the term of the option.

Note 17. Share based payments (continued)

The following table shows the number and movement of options during the year.

Grant date	Expiry date	Fair value at grant date	Balance as at 30 June 2017	Granted	Vested	Expired	Exercised	Exercise price	Balance as at 30 June 2018
1-Aug-16	17-Feb-18	$0.008	35,000,000	-	-	(35,000,000)	-	$0.02	-
13-Mar-18	12-Mar-20	$0.0019	-	10,000,000	10,000,000	-	-	$0.03	10,000,000
			35,000,000	**10,000,000**	**10,000,000**	**(35,000,000)**	**-**		**10,000,000**

Grant date	Expiry date	Fair value at grant date	Balance as at 30 June 2016	Granted	Vested	Expired	Exercised	Exercise price	Balance as at 30 June 2017
1-Aug-16	17-Feb-18	$0.008	35,000,000	-	-	-	-	$0.02	35,000,000
			35,000,000	**-**	**-**	**-**	**-**		**35,000,000**

Share options outstanding at 30 June 2018 had a weighted average contractual life of 400 days (2017: 232 days) and a weighted average fair value of $0.022. The fair value was calculated using an expected share price volatility of 110% and risk-free interest rate of 3%.

Performance share rights
Performance rights are provided to directors as approved by shareholders. The performance criteria is determined by the board.

The fair value of performance rights is determined at the grant date using the Black-Scholes options pricing method taking into account the term of the performance right, impact of dilution, the share price at grant date the expected price volatility of the underlying share, the expected dividend yield and the risk-free rate for the term of the performance right and an appropriate probability weighting to factor the likelihood of the satisfaction of non-vesting conditions.

The following table shows the number and movement of performance rights during the year. There were no performance rights in the 2017 financial year.

Grant date	Expiry date	Fair value at grant date	Balance as at 30 June 2017	Granted	Vested	Expired	Balance as at 30 June 2018
28-Feb-18	27-Feb-19	$0.011	-	15,000,000	15,000,000	-	-
28-Feb-18	27-Feb-19	$0.016	-	15,000,000	15,000,000	-	-
28-Feb-18	27-Feb-20	$0.016	-	15,000,000	-	-	15,000,000
28-Feb-18	27-Feb-20	$0.016	-	15,000,000	-	-	15,000,000
			-	**60,000,000**	**30,000,000**	**-**	**15,000,000**

Performance rights have a weighted average fair value of $0.015. The fair value was calculated using an expected share price volatility of 110% and risk-free interest rate of 3%.

Other share based payments
21,309,841 shares were issued Blockchain Global Ltd in lieu of a cash payment for underwriting fees with a fair value of $260,769 on 13 March 2018.

Note 18. Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a number of financial risks, including market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity, mindful of the cost of such measures and the competing demands of other investment. Risks are monitored through the use of sensitivity analysis for interest rate and foreign exchange risks and aging analysis for credit risk.

The consolidated entity identifies and evaluates mitigation activities for risk and to develop policy for risk management across all consolidated entity operations pursuant to written risk management principles approved by the Board.

Financial Instruments as 30 June 2018	Carrying amount per the financial position
Financial Assets	
Financial assets at fair value through profit or loss	
- Listed securities	$1,378,771
- Unlisted securities	$250,000
Total	$1,628,771
Loan and receivables	
- Trade and other receivables	$421,249
Total	$421,249
Financial Liabilities	
- None	-

* As mentioned on the company's June 2018 Update released to the market, FGF will look to sell these investments as soon as practical, these assets are thus categorised in the trading investments at fair value through profit or loss of the financial assets' categories.

Market risk

Price risk
The consolidated entity is exposed to movements in the stock prices for those trading investments held at year end. Based on this exposure, had the share prices increased or decreased by 10% (2017: 10%) the impact on the consolidated entity's loss before tax and net assets would have been:

	Consolidated	
	Impact on loss before tax	Impact on net assets
Increase by 10%	**162,877**	**162,877**
Decrease by 10%	**(162,877)**	**(162,377)**

Interest rate risk
Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from the consolidated entity's interest bearing financial assets and liabilities. The interest rate liability risk is unlike to arise from the fixed rate of the convertible notes. The consolidated entity has no financial assets or liabilities with variable interest rates so has no cash flow interest rate risk and all the consolidated entity's external borrowings are denominated in Australian dollars. The consolidated entity's only exposure to interest rate risk from the variable interest rate on cash at bank.

Note 18. Financial instruments (continued)

Credit risk
Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument creating a financial loss. Credit risk arises from cash and cash equivalents, deposits with banks and through exposures to wholesale and retail customers.

The consolidated entity has a total exposure of $350,000 on its convertible notes with Cloud Lumen Pty Ltd invested at year end.

Where credit is appropriate, ongoing credit evaluation is performed on the financial condition of customers including an allowance for impairment of receivables based on general trading conditions and experience in the market. Currently there has been no known credit risk or expected losses regarding the exposure of the receivable on Cloud Lumen Pty Ltd's convertible notes.

Liquidity risk
Liquidity risk is the risk that the consolidated entity's operational performance will be adversely affected through the failure to satisfy an obligation for settlement of a financial transaction within contractual terms or that operational decisions made to ensure sufficient funding is available to meet such settlement will adversely affect the value of financial assets (including sale of financial assets at values less than their fair market values). The consolidated entity's predominant exposure to liquidity risk is through investments in overseas start-up businesses which can experience significant volatility whilst in their infancy.

The consolidated entity monitors liquidity risk through cashflow forecasting and manages risk through group management of funds, appropriate fund raisings and through establishing readily accessible standby facilities and other funding arrangements. The consolidated entity had access to a convertible note facility which has been fully drawn. During the financial year, the facility matured and was extended.

Remaining contractual maturities of financial liabilities

The following tables detail the consolidated entity's remaining contractual maturity for its financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	**Weighted average interest rate %**	**0 -6 month $**	**6 months – 1 year $**	**Between 1 -2 years $**	**Over 5 years $**	**Between 2 – 5 years $**	**Remaining contractual maturities $**
Non-derivatives							
Non-interest bearing							
Trade and other payables	-	112,149	-	-	-	-	**112,149**
Total non-derivatives	-	112,149	-	-	-	-	**112,149**
Consolidated – 2017							
Non-derivatives							
Non-interest bearing							
Trade and other payables	-	78,576	-	-	-	-	**78,576**
Total non-derivatives	-	78,576	-	-	-	-	**78,576**

Note 18. Financial instruments (continued)

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial instruments. Trading investments are carried at fair value and are level 1 instruments within the fair value hierarchy, as they are based on quoted prices in active markets at the measurement date.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2 fair value measurements are those derived from inputs other than quoted prices within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices).

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for asset or liability that are not based on observable market data (unobservable inputs).

Financial Instruments as 30 June 2018	**Level 1**	**Level 2**	**Level 3**
Financial assets at FVTPL			
- Securities in listed companies (held for trading)	$1,378,771		
- Securities in unlisted companies (held for trading)			$250,000
Loans and receivables			
- Convertible Notes in unlisted companies			$350,000

The investment in unlisted securities, being Cloud Lumen Pty Ltd, are valued at fair value and are level 3 instruments within the fair value hierarchy, as there are no observable inputs. The directors have considered the available information regarding this investment and believe it is currently appropriate to recognise a fair value of $250,000 for the Cloud Lumen Pty Ltd shares and $350,000 for its convertible notes based on the *Cost approach,* reflecting the current replacement cost of the asset.

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the current Auditor (Pitcher Partners), the auditor of the company, and its related practices:

	Consolidated	
	2018	2017
	$	$
Audit services – Pitcher Partners	**49,941**	38,023
Tax and other compliance services	**19,261**	15,155
Total	**69,202**	53,178

Note 20. Key management personnel disclosures

Directors
The following persons were directors of First Growth Funds Limited during the financial year:

Athan Lekkas
Geoff Barnes
Michael Clarke
Anoosh Manzoori (appointed 14 December 2017)
Daniel Zhang (appointed 13 March 2018)

Other key management personnel
There were no other key management personnel.

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2018	2017
	$	$
Short-term employee benefits	**335,381**	280,000
Equity based payments	**544,156**	196,000
	879,537	476,000

Note 21. Related party transactions

The following transactions occurred during the year with related parties in addition to compensation payments in note 20.

Corporate advisory and secretarial services from Shape Capital Pty Ltd (a related party of Anoosh Manzoori)	**16,929**	-
Consulting services from Peloton Capital Pty Ltd (a related entity of Geoff Barnes)	**59,000**	101,400
Secretarial services from Peloton Advisory Pty Ltd (a related entity of Geoff Barnes)	**-**	15,400

Payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties

Peloton Advisory Pty Ltd	**-**	2,800

Note 22. Parent Entity Information

Set out below is the supplementary information about the parent entity.

	Consolidated	
	2018	2017
	$	$
Statement of profit or loss and other comprehensive income		
Loss for the year	**(823,090)**	(872,389)
Total comprehensive loss for the year	**(823,090)**	(872,389)
Statement of financial position		
Current assets	**10,514,698**	2,120,269
Total assets	**11,762,313**	2,120,269
Current liabilities	**112,149**	78,576
Total liabilities	**112,149**	78,576
Contributed equity	**67,155,788**	56,863,383
Share Option Reserve	**139,156**	296,347
Accumulated losses	**(55,644,780)**	(55,118,037)
Total Equity / (deficiency)	**11,650,164**	2,041,693

The parent company has not entered into any guarantees in relation to debts of its subsidiaries nor does it have any contingent liabilities as at 30 June 2018 and 30 June 2017. In addition the parent company has no capital commitments for property, plant and equipment as at 30 June 2018 and 30 June 2017.

Note 23. Events occurring after the reporting date

- The company announced on 17 July 2018 that it has invested $250,000 in CCP Technologies Limited (ASX:CT1) at 2 cents per share with a one for one free option attaching exercisable at 3 cents. CT1's technology is fully developed, generating revenue in Australia and USA, and they have secured notable channel partners including SigFox, Vodafone and Dicker Data Limited (ASX:DDR). As part of FGF's investment, Penta Global will co-invest in CT1. FGF will receive a capital raising fee for facilitating Penta Global's investment in CT1.

- On 18 July 2018 a refund of $214,834 was received from Datable Technologies Corporation due their subscription offer being undersubscribed.

- FGF announce on 29 August 2018 that it had successfully led an investment into YPB Group Limited (YPB). In consideration for structuring the investments FGF was entitled to fees up to US$350,000. As part of the transaction FGF will make a $500,000 convertible note investment in YPB.

- On 10 September 2018 FGF announced that it will assist HCash Tech invest up to $15 million in innovative companies listed on the ASX. Acting as a broker FGF will receive 6% or up to $900,000 in fees.

No other matters or circumstances have arisen since the end of the financial year that have significantly affected or may have a significant effect on the financial operations of the company, the financial performance of those operations or the financial position of the company in the subsequent financial year.

Note 24. Cashflow Reconciliation

	Consolidated	
(a) Reconciliation of the loss after tax to the net cash flows from operations	**2018 $**	2017 $
Loss after income tax	**(823,090)**	(872,389)
Adjustments for Non-Cash Items		
- Equity based payments	**544,156**	196,000
- Impairment expense	**20,000**	-
- Exchange rate (gain)/loss	**7,902**	-
Changes in operating assets and liabilities		
- Increase / (Decrease) in trade and other payables	**33,572**	(8,059)
- (Increase) / Decrease in trade and other receivables	**(21,305)**	(363,384)
- (Increase) / Decrease in trading and available for sale investments	**(748,771)**	(635,700)
- (Increase) / Decrease in inventories	**(244,880)**	-
Net cash outflow from operating activities	**(1,232,416)**	(1,683,532)

Note 25. Earnings per share

Earnings per share from continuing operations		
Loss after income tax	**(823,090)**	(872,389)
	Number 2018	Number 2017
Weighted average number of ordinary shares used in calculating basic earnings per share	**1,076,146,301**	824,024,221
Weighted average number of ordinary shares used in calculating diluted earnings per share	**1,076,146,301**	824,024,221
	Cents	Cents
Basic and Diluted Loss per share	**(0.076)**	(0.106)

Note 26. Controlled entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1 “Principals of Consolidation”.

Name of entity	**Country of incorporation**	**Class of shares**	**Equity holding**	
			2018 %	**2017 %**
ICO-AN Pty Ltd (Incorporated 17 November 2017)	Australia	Ordinary	100	-

First Growth Funds Limited
Directors Declaration
For the Year Ended 30 June 2018

In the directors' opinion:

- The attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- The attached financial statements and notes thereto comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- The attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date;

- 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

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors

Geoff Barnes
Director

27 September 2018

Sydney

PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, Queensland 4000

Postal Address
GPO Box 1144
Brisbane, Queensland 4001

Tel +61 7 3222 8444
Fax +61 7 3221 7779
www.pitcher.com.au
info@pitcherpartners.com.au

Independent Auditor's Report to the Members of First Growth Funds Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of First Growth Funds Limited ("the Company"), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of First Growth Funds 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 2018 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 of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the matter
Fair Value of Financial Instruments ***Refer to Notes 1, 7 and 8***	
First Growth Funds Limited invest in various financial instruments exposing it to a number of financial risks, including market risk, credit risk and liquidity risk. As at 30 June 2018 financial assets held for trading totalled $1,628,771 and convertible notes including interest receivable associated with those convertibles notes totalled $405,000. We have focused on this area due to complexities associated with the valuation and accounting for these financial instruments.	Our procedures included, amongst others: ▪ We reviewed the Portfolio Valuation Confirmation obtained from third parties which confirmed quantity of shares held and their market value at the reporting date; ▪ Recalculated the fair value gain or (loss) recognised in profit or loss arising on the mark to market adjustments at the reporting date; ▪ Performed substantive testing over a sample of the investment transactions that occurred throughout the year to ensure they have been recorded accurately in the financial report, including realised / unrealised gains (losses); ▪ Obtained the Statement of Transactions subsequent to the reporting date to ensure the completeness of assets for any unsettled trades as at the reporting date; ▪ Recalculated the interest accrued on the convertible notes and ensured that in accordance with the contractual terms of the note deed; and ▪ Considered the recoverability of the convertible note through either the conversion of the convertible note into equity or for the amount to be settled in cash.
Accounting for digital currency assets ***Refer to Notes 1, 10 and 11***	
First Growth Funds have invested in a number of pre-ICO and ICO investments with a carrying value of digital currency tokens held for sale being $224,880 and rights to digital currency tokens of $915 749 as at 30 June 2018. The risk is that the investments are not accounted for in accordance with Australian Accounting Standards.	Our testing of digital currency assets included: ▪ understanding the control environment through which tokens are acquired and recorded; ▪ Critically evaluating management's classification of digital assets as an intangible asset or inventory; ▪ confirming the quantity and issue price of the tokens issued to supporting documentation; ▪ confirming control of the digital assets held at year end by observing various transactions undertaken by management to move a sample of tokens between wallets utilising the company's public key; ▪ for pre-ICO investments, agree the cost price to the subscription agreement and cash payment; and ▪ consider indicators at year-end by reference to publicly traded market prices.

Other Information

The directors are responsible for the other information. The other information comprises the Operating Financial Report, Director's Report, Corporate Governance Statement and ASX Information which was obtained as at the date of our audit report, and any additional other information that will be included in the Company's annual report for the year ended 30 June 2018, 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.

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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 control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 the directors.
- Conclude on the appropriateness of the directors' 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 disclosures 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 transactions 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PITCHER PARTNERS
ACCOUNTANTS • AUDITORS • ADVISORS

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 11 of the directors' report for the year ended 30 June 2018. In our opinion, the Remuneration Report of First Growth Funds Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Pitcher Partners

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
27 September 2018

Shareholding as at 20 September 2018

Holdings Ranges	Holders	Ordinary shares
1 to 1,000	72	17,265
1,001 to 5,000	37	116,952
5,001 to 10,000	16	122,833
10,001 to 100,000	813	40,981,043
100,001 and over	900	1,514,721,188
	1,838	**1,555,959,281**

Number of holders with an unmarketable holding is 439, totalling 7,090,859 shares.

Unquoted Equity Securities	Number of holders	Number on Issue
Options Expiring 12 March 2020	42	292,257,907

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Substantial Shareholding
The names of the substantial shareholders listed in the holding Company's register are:

Shareholders:	*Number of shares held*
BLOCKCHAIN GLOBAL LIMITED	125,366,734
GEBA PTY LTD <GEBA FAMILY A/C>	100,200,000

First Growth Funds Limited
ASX Information
For the Year Ended 30 June 2018

Top 20 shareholders as at 20 September 2018

Position	Holder Name	Holding	% IC
1	BLOCKCHAIN GLOBAL LIMITED LEVEL 1	125,366,734	8.06%
2	GEBA PTY LTD <GEBA FAMILY A/C>	100,000,000	6.43%
3	DONG BO	73,870,230	4.75%
4	MANZOORI PTY LTD <MANZOORI FAMILY A/C>	60,000,000	3.86%
5	AEGIAN PAL PTY LTD <ELPIDA SUPER FUND A/C>	45,796,727	2.94%
6	RED AND WHITE HOLDINGS PTY LTD <BLOOD SUPER FUND A/C>	45,143,656	2.90%
7	SAYERS INVESTMENTS (ACT) PTY LTD <THE SAYERS INV NO2 A/C>	40,250,000	2.59%
8	DALEXT PTY LTD <DALEXT UNIT A/C>	34,472,727	2.22%
9	GXB PTY LTD	28,000,000	1.80%
10	CALABRIA ENTERPRISES PTY LTD	25,600,028	1.65%
11	RIP OPPORTUNITIES PTY LTD <PIR SUPER FUND A/C>	24,367,867	1.57%
12	SIGARAS FAMILY SMSF PTY LTD <SIGARAS FAMILY SMSF A/C>	20,745,823	1.33%
13	BLACK PRINCE PTY LTD <BLACK PRINCE SUPER FUND A/C>	20,000,000	1.29%
13	MR PETER ANDREW PROKSA	20,000,000	1.29%
14	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	18,668,808	1.20%
15	ACL INVESTMENT AUSTRALIA PTY LTD	16,666,667	1.07%
16	MR THEO CHRISTAKOS & MR ARGYRIOS CHRISTAKOS	16,333,333	1.05%
17	LITTLE BREAKAWAY PTY LTD	15,500,000	1.00%
18	MR WALTER SHAMSABADI	15,132,600	0.97%
19	CLIVE WATERSON SUPERFUND PTY LTD <CLIVE WATERSON S/F A/C>	13,610,000	0.87%
20	SPARKE ENTERPRISES PTY LTD <SPARKE ENTERPRISES FAM A/C>	13,030,302	0.84%
	Total	**772,555,502**	**49.65%**
	Total issued capital - selected security class(es)	**1,555,959,281**	**100.00%**