First Growth Funds
LIMITED

**First Growth Funds Limited**
**ASX CODE FGF | ABN 34 006 648 835**
Level 5 56 Pitt Street
Sydney NSW 2000 AUSTRALIA
**www.firstgrowthfunds.com**

28 April 2016

# QUARTERLY ACTIVITIES REPORT

## OVERVIEW

### Public-Democracy Pty Limited

During the quarter it was agreed that FGF would not complete the Public Democracy (PD) deal as previously announced to the market and would vary the terms of the transaction. In exchange for exclusivity payments totalling $400,000 paid by FGF to PD (as set out in the original agreement) it was agreed that FGF would receive 2,200,000 fully paid shares in PD. In addition FGF would also continue to actively support the growth of the PD business through its Australian network in an effort to achieve increased shareholder value.

During the quarter, FGF Management also continued to identify and participate in selected IPO's and placements. The Company has also reviewed a number of potential investment opportunities outside of listed equities and will continue the search for suitable investments that can bring value to shareholders.

### Series "A "Options

During the quarter the Company's Series A options expired. The conversion by option holders resulted in the issue of 3,051,042 ordinary shares to existing shareholders for consideration of $24,909.27.

## INVESTMENTS

As at the end of the quarter, the Company held:

i. Approximately $228,000 in cash and receivables;
ii. $364,000 in listed securities; and
iii. 2,200,000 shares in the unlisted shareholder interaction firm, Public Democracy (see ASX announcement dated February 10th, 2016). FGF received the 2,200,000 fully paid ordinary shares in exchange for the exclusivity payments totaling $440,000.

## SHAREHOLDINGS

As at the date of this report, the following table represents the total equity instruments on issue in First Growth Funds Ltd

| Equity Category | Details | Number on Issue |
|---|---|---|
| Listed Ordinary Shares | ASX : FGF | 449,495,876 |
| Options | ASX : FGFOA<br>Strike Price of $0.002<br>Expiry 17 Feb 2018 | 272,866,800 |

*Rule 4.7B*

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

FIRST GROWTH FUNDS LIMITED

| ABN | Quarter ended ("current quarter") |
|---|---|
| 34 006 648835 | 31 March 2016 |

## Consolidated statement of cash flows

| | Cash flows related to operating activities | Current quarter $A'000 | Year to date $A'000 |
|---|---|---|---|
| 1.1 | Receipts from customers | | |
| 1.2 | Payments for (a) staff costs | (115) | (116) |
| | (b) advertising and marketing | | |
| | (c) research and development | | |
| | (d) leased assets | | |
| | (e) other working capital | | |
| 1.3 | Dividends received | | |
| 1.4 | Interest and other items of a similar nature received | 2 | 10 |
| 1.5 | Interest and other costs of finance paid | | |
| 1.6 | Income taxes paid | | |
| 1.7 | Other (provide details if material) | 132 | 95 |
| | **Net operating cash flows** | 19 | (11) |

+ See chapter 19 for defined terms.

| | | Current quarter $A'000 | Year to date $A'000 |
|---|---|---|---|
| 1.8 | Net operating cash flows (carried forward) | | |
| | **Cash flows related to investing activities** | | |
| 1.9 | Payment for acquisition of: | | |
| | (a) businesses (item 5) | | |
| | (b) equity investments | | |
| | (c) intellectual property | | |
| | (d) physical non-current assets | | |
| | (e) other non-current assets | | |
| 1.10 | Proceeds from disposal of: | | |
| | (a) businesses (item 5) | | |
| | (b) equity investments | (145) | (554) |
| | (c) intellectual property | | |
| | (d) physical non-current assets | | |
| | (e) other non-current assets | | |
| 1.11 | Loans to other entities | | |
| 1.12 | Loans repaid by other entities | | |
| 1.13 | Other (provide details if material) | | |
| | **Net investing cash flows** | (145) | (554) |
| **1.14** | **Total operating and investing cash flows** | (126) | (540) |
| | **Cash flows related to financing activities** | | |
| 1.15 | Proceeds from issues of shares, options, etc. | 24 | 25 |
| 1.16 | Proceeds from sale of forfeited shares | | |
| 1.17 | Proceeds from borrowings | | |
| 1.18 | Repayment of borrowings | | |
| 1.19 | Dividends paid | | |
| 1.20 | Other (provide details if material) | | |
| | **Net financing cash flows** | 24 | 25 |
| | **Net increase (decrease) in cash held** | (102) | (540) |
| 1.21 | Cash at beginning of quarter/year to date | 317 | 755 |
| 1.22 | Exchange rate adjustments to item 1.20 | | |
| 1.23 | **Cash at end of quarter** | 215 | 215 |

## Payments to directors of the entity and associates of the directors

## Payments to related entities of the entity and associates of the related entities

| | | Current quarter $A'000 |
|---|---|---|
| 1.24 | Aggregate amount of payments to the parties included in item 1.2 | 24 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | |

1.26 Explanation necessary for an understanding of the transactions

Directors fees and consulting costs

## Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

## Financing facilities available

*Add notes as necessary for an understanding of the position.*

| | | Amount available $A'000 | Amount used $A'000 |
|---|---|---|---|
| 3.1 | Loan facilities | | |
| 3.2 | Credit standby arrangements | | |

+ See chapter 19 for defined terms.

## Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | | Current quarter $A'000 | Previous quarter $A'000 |
|---|---|---|---|
| 4.1 | Cash on hand and at bank | 215 | 317 |
| 4.2 | Deposits at call | nil | nil |
| 4.3 | Bank overdraft | | |
| 4.4 | Other (provide details) | | |
| | **Total: cash at end of quarter** (item 1.23) | 215 | 317 |

## Acquisitions and disposals of business entities

| | | Acquisitions *(Item 1.9(a))* | Disposals *(Item 1.10(a))* |
|---|---|---|---|
| 5.1 | Name of entity | | |
| 5.2 | Place of incorporation or registration | | |
| 5.3 | Consideration for acquisition or disposal | | |
| 5.4 | Total net assets | | |
| 5.5 | Nature of business | | |

## Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.

2 This statement does /does not* *(delete one)* give a true and fair view of the matters disclosed.

Sign here: FN Skinner ............................................................ Date: 28 April 2016
(~~Director~~/Company secretary)

Print name: Frances Notman ........................................................

## Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.

3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.