

First Growth Funds Limited
Appendix 4D
Half-year report 31 DECEMBER 2014

1. Company details

Name of entity:	First Growth Funds Limited
ABN:	34 006 648 835
Reporting period:	For the half-year ended 31 December 2014
Previous period:	For the half-year ended 31 December 2013

2. Results for announcement to the market

			\$
Revenues from ordinary activities	up	5,471% to	3,677
(Loss)/Profit from ordinary activities after tax attributable to the owners of First Growth Funds Limited	down	N/A to	(165,188)
(Loss)/Profit for the half-year attributable to the owners of First Growth Funds Limited	down	N/A to	(165,188)

3. Net tangible assets

	Reporting period \$	Previous period \$
Total Assets	1,908,378	465,738
Accumulated Losses	(55,749,390)	(53,582,202)
Net tangible assets per ordinary security (cents)	0.690	0.187

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Not applicable.

6. Dividends

Not applicable.

7. Dividend reinvestment plans

Not applicable.

8. Details of associates and joint venture entities

Name of associate	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
Bluefish Technologies Pty Ltd	24.54%	24.54%	16,288	4,594
<i>Group's aggregate share of associates entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			16,288	4,594

9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.


The review report includes a qualification in relation to management being unable to obtain access to the financial information of the associate (Bluefish Technologies Pty Ltd), and hence the auditors were unable to obtain sufficient appropriate audit evidence about the carrying amount of First Growth Funds Limited investment in Bluefish Technologies as at 31 December 2014 and First Growth Funds Limited's share of Bluefish Technologies net gain for the period.

11. Attachments

Details of attachments (if any):

The Interim Report of First Growth Funds Limited for the half-year ended 31 December 2014 is attached.

12. Signed



Geoff Barnes
Director
Sydney

27 February 2015

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First Growth Funds Limited

ABN 34 006 648 835



Interim Report 31 December 2014

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of First Growth Funds Limited (referred to hereafter as the 'company', 'parent entity' or 'FGF') and the entities it controlled for the half-year ended 31 December 2014.

These Financial Statements cover the period from 1 July 2014 to 31 December 2014.

Principal activities

The Company plans to continue as a Listed Investment Company with the ongoing investment objectives of the Company being to acquire 100% of, or to invest in, listed or unlisted companies or operating businesses where the Company believes there are suitable growth opportunities.

Directors

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

Geoff Barnes	Chairman – Non Executive
Athan Lekkas	Non-Executive Director
Joe Calabria	Non-Executive Director
Michael Clarke	Non-Executive Director

Company Secretary

Peter Hunt	(resigned 16 December 2014)
Michael Clarke	(appointed 16 December 2014)

Operating Results

The net loss of the company after income tax for the period was \$165,188 (2013: profit \$1,003,137).

Review of Operations

The following provides a summary of First Growth Fund's activities and achievements during the course of the half year:

On 30 July 2014 an Extraordinary General Meeting was held in Adelaide with all resolutions passed in favour.

A prospectus was lodged with ASIC on the 16 September seeking to raise a minimum of \$1.5m and up to \$3m.

On 22 October the Company applied for an extension of time to issue shares and this request was approved by ASX on 27 October 2014. A revised prospectus was reissued on 3 February 2015.

On 19 December 2014 the Company changed its Registered Office Address to:
Level 5
56 Pitt Street
Sydney NSW 2000

The Company has successfully completed a \$1.5 million capital raise and was reinstated to the ASX on 17 February 2015. The Company has retained a 24.54% shareholding in Bluefish and the Company's plan is to continue as a LIC and seek investment opportunities in a variety of asset classes, be they listed or unlisted companies, or where it believes it can add value through investment and management expertise.

**First Growth Funds Limited
Director's Report
31 December 2014**

The recent history of FGF as an investment company has seen it investing predominantly in unlisted technology based startup companies, though with a wide array of operational interests, such as e commerce, telephony, carbon and digital video. FGF into the future does not intend to limit its investments to any one sector.

The key investment criteria are whether or not the investment presented is of a suitable scale, and quality that it is likely to achieve a significant increase in value for the shareholders of FGF.

Now that the Company has been reinstated to the ASX, it is the intention of the Board to appoint an Investment Manager.

State of Affairs

In the opinion of the Directors all significant changes in the state of affairs of the Company other are set out in the Review of Operations.

Subsequent Events

The Company was successfully reinstated to the ASX effective 17 February 2015. In addition, the company issued 169,866,800 shares, 176,570,316 "Series A" options and 244,866,800 "Series B" options on 13 February 2015 raising \$1.5m of new capital. Other than this, there have been no material subsequent events which have occurred since reporting date.

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 the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Geoff Barnes
Director

27 February 2015

DECLARATION OF INDEPENDENCE BY ALEX SWANSSON TO THE DIRECTORS OF FIRST GROWTH FUNDS LIMITED

As lead auditor for the review of First Growth Funds Limited for the half-year ended 31 December 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of First Growth Funds Limited and the entities it controlled during the period.



Alex Swansson
Partner

BDO East Coast Partnership

Melbourne, 27 February 2015

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**First Growth Funds Limited
Financial Report
For the half-year ended 31 December 2014**

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General information

The half year financial report covers First Growth Funds Limited as a consolidated entity consisting of First Growth Funds Limited and the entities it controlled. The financial report is presented in Australian dollars, which is First Growth Funds Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

First Growth Funds Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office is:

Level 5
56 Pitt Street
Sydney NSW 2000

The financial report was authorised for issue, in accordance with a resolution of directors, on 27 February 2015.

First Growth Funds Limited
Statement of Profit or loss and other Comprehensive Income
For the half year ended 31 December 2014

	Note	Consolidated	
		31/12/2014	31/12/2013
		\$	\$
Revenue			
Other Income	3	3,677	66
Expenses			
Share of profit / (loss) of associate accounted for using the equity method		16,288	4,594
Professional Fees and Costs arising from the Administration and Deed of Company Arrangement		(131,385)	(12,660)
ASX Fees		(27,500)	(21,574)
Share Registry Fees		(4,159)	(3,986)
Employee Expenses		(5,640)	-
Other expenses		(16,469)	(50,170)
Creditors forfeited on effectuation		-	1,086,867
(Loss)/profit before income tax expense		(165,188)	1,003,137
Income tax expense		-	-
(Loss)/profit after income tax expense from continuing operations		(165,188)	1,003,137
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(165,188)	1,003,137
(Loss)/profit for the half-year is attributable to:			
Owners of First Growth Funds Limited		(165,188)	1,003,137
Total comprehensive income for the half-year is attributable to:			
Owners of First Growth Funds Limited		(165,188)	1,003,137

	Note	Consolidated	
		31/12/2014	31/12/2013
		Cents	Cents
Earnings per share for (loss)/profit attributable to the owners of First Growth Funds Limited			
Basic (loss) /earnings per share	10	(0.06)	0.735
Diluted (loss) /earnings per share	10	(0.06)	0.735

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 31 December 2014

	Note	Consolidated	
		31/12/2014	30/06/2014
		\$	\$
Assets			
Current assets			
Cash and cash equivalents	9(a)	1,552,307	143,572
Trade and Other Receivables		39,324	21,707
Total current assets		1,591,631	165,279
Non-current assets			
Investments accounted for using the equity method	4	316,747	300,459
Total non-current assets		316,747	300,459
Total assets		1,908,378	465,738
Liabilities			
Current liabilities			
Trade and other payables		197,446	122,786
Borrowings	5	800,000	800,000
Total current liabilities		997,446	922,786
Total liabilities		997,446	922,786
Net assets/ (liabilities)		910,932	(457,048)
Equity			
Contributed equity	6	54,658,322	53,125,154
Accumulated losses		(53,747,390)	(53,582,202)
Total equity / (deficiency)		910,932	(457,048)

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 half-year ended 31 December 2014

	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
Consolidated			
Balance at 1 July 2014	53,125,154	(53,582,202)	(457,048)
Loss after income tax expense for the half-year	-	(165,188)	(165,188)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(165,188)	(165,188)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 6)	1,533,168	-	1,533,168
Balance at 31 December 2014	54,658,322	(53,747,390)	910,932

	Contributed Equity \$	Accumulated Losses \$	Total Equity \$
Consolidated			
Balance at 1 July 2013	52,298,154	(54,552,274)	(2,254,120)
Profit after income tax expense for the half-year	-	1,003,137	1,003,137
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	1,003,137	1,003,137
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs	665,000	-	665,000
Balance at 31 December 2013	52,963,154	(53,549,137)	(585,983)

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 half-year ended 31 December 2014

	Note	Consolidated	
		31/12/2014	31/12/2013
		\$	\$
Cash flows from operating activities			
Payments to suppliers and employees (inclusive of GST)		(128,110)	(361,213)
Interest received		3,677	66
Net cash used in operating activities	9(b)	<u>(124,433)</u>	<u>(361,147)</u>
Cash flows from financing activities			
Proceeds from issue of shares (note 6)		1,533,168	415,000
Noble Loan – Indemnity Funding repaid		-	(43,736)
Net cash from financing activities		<u>1,533,168</u>	<u>371,264</u>
Net increase in cash and cash equivalents		1,408,735	10,117
Cash and cash equivalents at the beginning of the financial half-year		<u>143,572</u>	<u>16,997</u>
Cash and cash equivalents at the end of the financial half-year	9(a)	<u>1,552,307</u>	<u>27,114</u>

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

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Note 1. Significant accounting policies

1. Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2014 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standards including AASB 134: Interim Financial Reporting as appropriate for for-profit entities. Compliance with AASB134 ensures that the financial statements and notes also comply with International Financial Reporting Standard IAS34 Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of First Growth Funds Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2014, together with any public announcements made during the half-year.

The same accounting policies have been followed in this interim financial report as were applied in the most recent annual financial statements and corresponding interim reporting period.

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 Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-3 from 1 July 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of 'currently has a legally enforceable right of set-off'; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement.

AASB 2013-3 Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets

The consolidated entity has applied AASB 2013-3 from 1 July 2014. The disclosure requirements of AASB 136 'Impairment of Assets' have been enhanced to require additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposals. Additionally, if measured using a present value technique, the discount rate is required to be disclosed.

AASB 2014-1 Amendments to Australian Accounting Standards (Parts A to C)

The consolidated entity has applied Parts A to C of AASB 2014-1 from 1 July 2014. These amendments affect the following standards: AASB 2 'Share-based Payment': clarifies the definition of 'vesting condition' by separately defining a 'performance condition' and a 'service condition' and amends the definition of 'market condition'; AASB 3 'Business Combinations': clarifies that contingent consideration in a business combination is subsequently measured at fair value with changes in fair value recognised in profit or loss irrespective of whether the contingent consideration is within the scope of AASB 9; AASB 8 'Operating Segments':

amended to require disclosures of judgements made in applying the aggregation criteria and clarifies that a reconciliation of the total reportable segment assets to the entity's assets is required only if segment assets are reported regularly to the chief operating decision maker; AASB 13 'Fair Value Measurement': clarifies that the portfolio exemption applies to the valuation of contracts within the scope of AASB 9 and AASB 139; AASB 116 'Property, Plant and Equipment' and AASB 138 'Intangible Assets': clarifies that on revaluation, restatement of accumulated depreciation will not necessarily be in the same proportion to the change in the gross carrying value of the asset; AASB 124 'Related Party Disclosures': extends the definition of 'related party' to include a management entity that provides KMP services to the entity or its parent and requires disclosure of the fees paid to the management entity; AASB 140 'Investment Property': clarifies that the acquisition of an investment property may constitute a business combination.

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.

The company issued a revised prospectus on 3 February 2015 and successfully raised funds of \$1,500,000 before year end. The directors consider the funding raised by the company enable it to make new investments and continue as a going concern.

If the entity is unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than through the ordinary course of business and at amounts different to those stated in the financial report. The report does not include any adjustment relating to the recoverability and classification of asset carrying amounts or the amounts of liabilities that might result should the entity be unable to continue as a going concern and meet its debts as and when they become payable.

Note 2. Operating segments

Identification of reportable operating segments

The consolidated entity operates in only one segment being that of an Investment company in Australia.

The operating segment is based on the internal reports that are reviewed and used by the executive management team (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

Note 3. Revenue

	Consolidated	
	31/12/2014	31/12/2013
	\$	\$
<i>Other revenue</i>		
Interest	<u>3,677</u>	<u>66</u>
Revenue from continuing operations	<u>3,677</u>	<u>66</u>

Note 4. Investments accounted for using the equity method

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
Investment in Bluefish Technologies		
Movements		
Opening balance	300,459	300,455
Share of profit for the period	16,288	4
Total	316,747	300,459

Note 5. Indemnity Loan from Noble

	Consolidated	
	31/12/2014	30/06/2014
	\$	\$
Loan from shareholders	800,000	800,000
	800,000	800,000

The loan from shareholders is secured by a fixed and floating charge over the parent entity's investment in Blue fish technologies.

The Company has granted the Secured Creditor a security interest in the Bluefish Technologies Pty Ltd ('Bluefish') shares held by the Company as collateral for repayment of the moneys owed to the Secured Creditor, limited to \$800,000 ('Security Interest') as well as 50% of any proceeds from the Bluefish shares, when sold, over and above the \$800,000. Therefore while the Company has a current obligation to repay \$800,000 and this amount has been recorded as a liability in the statement of financial position as at 31 December 2014 if the Company does not sell, or is not able to sell, the Bluefish shares, and if the Company does not wish to pay the Secured Creditor the \$800,000, then the Company can transfer its interests in Bluefish to the Secured Creditor, subject to shareholder pre-emptive rights. The Company's liability in respect of this asset is therefore limited to the sale value of the Bluefish shares and to \$800,000. If the shares are eventually sold for a lesser figure than the \$800,000, with approval of, or demand from, the Secured Creditor, then the Company will have no further liability to the Secured Creditor.

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**First Growth Funds Limited
Directors Declaration
31 December 2014**

Note 6. Equity - contributed

	Consolidated		Consolidated	
	31/12/2014	31/12/2014	30/06/2014	30/06/2014
	No of Ordinary Shares	\$	No of Ordinary Shares	\$
Balance at the beginning of the financial period	248,570,316	53,125,154	83,170,316	52,298,154
20/08/2013 New shares issued at \$0.005 per share	-	-	12,000,000	60,000
24/10/2013 New shares issued at \$0.005 per share	-	-	10,500,000	52,500
24/10/2013 New shares issued at \$0.005 per share	-	-	60,500,000	302,500
24/10/2013 New shares issued at \$0.005 per share	-	-	50,000,000	250,000
28/5/2014 New shares issued at \$0.005 per share	-	-	32,400,000	162,000
17/9/2014 New shares issued at \$0.0001 each	28,000,000	2,800	-	-
Issued shares as at the end of the period	276,570,316	53,127,954	248,570,316	53,125,154
Shares to be issued (i)	-	1,530,368	-	-
Total contributed equity at the end of the period	276,570,316	54,658,322	248,570,316	53,125,154

(i) Subsequent to year end, the Company issued 169,866,800 shares, for which funds have been received in cash during the period.

Note 7: Events occurring after the reporting period

The Company was successfully reinstated to the ASX effective 17 February 2015. In addition, the company issued 169,866,800 shares, 176,570,316 "Series A" options and 244,866,800 "Series B" options on 13 February 2015 raising \$1.5m of new capital. Other than this, there have been no material subsequent events which have occurred since reporting date.

Note 8: Related party transactions

Retailink, which Joe Calabria is director of, provided mail and printing services to FGF on commercial terms. There were no other related party transactions.

Note 9: Notes to statement of cash flows

	Consolidated	
	31/12/2014	31/12/2013
	\$	\$
(a) Reconciliation of cash		
Cash at bank and on hand	1,552,307	27,114
(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities		
(Loss)/profit from ordinary activities after income tax	(165,188)	1,003,137
Adjustments for:		
- Share in profit of Associate	(16,288)	(4,594)
- Creditors forfeited on effectuation		- (1,086,867)
Changes in operating assets and liabilities:		
- Increase/(decrease) in creditors and accruals	74,660	(265,876)
- Increase in receivables	(17,617)	(6,947)
Net cash used in operating activities	(124,433)	(361,147)

Note 10. Earnings per share

	Consolidated	
	31/12/2014	31/12/2013
Operating (loss)/profit after income tax used in the calculation of basic and diluted loss per share	(165,188)	1,003,137
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted earnings per share	266,722,949	136,561,620
	cents	cents
Basic (loss) /earnings per share	(0.06)	0.735
Diluted (loss) /earnings per share	(0.06)	0.735

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**First Growth Funds Limited
Directors Declaration
31 December 2014**

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Geoff Barnes
Director

27 February 2015

Sydney

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Growth Funds Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of First Growth Funds Limited, which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of First Growth Funds Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of First Growth Funds Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

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Basis for Qualified Conclusion

Investment in Bluefish Technologies

First Growth Funds Limited's investment in Bluefish Technologies accounted for by the equity method, is carried at \$316,747 on the statement of financial position as at 31 December 2014 (30 June 2014: \$300,459), and First Growth Funds Limited's share of Bluefish Technologies net gain of \$16,288 (2013: \$4,594) is included in First Growth Funds Limited's statement of profit or loss and other comprehensive income for the period then ended. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of First Growth Funds Limited investment in Bluefish Technologies as at 31 December 2014 and First Growth Funds Limited's share of Bluefish Technologies net gain for the period because management were unable to obtain access to the financial information of the associate and therefore allow us to satisfy ourselves as to the appropriateness of this information for use in the First Growth Funds Limited financial report. Consequently, we were unable to determine whether any adjustments to these amounts were necessary.

Consolidation

As at 30 June 2014, and for the year then ended, the company had investments in subsidiaries. Management have not been able to provide complete and appropriate accounting records to support the results of the subsidiary operations as at 30 June 2014 and for the year then ended, and has therefore not consolidated the results, assets and liabilities for these subsidiary entities in the financial statements of First Growth Funds Limited as at 30 June 2014 and for the year then ended, which constitutes a departure from Australian Accounting Standards. Management have informed us that these entities are no longer trading and were dormant during the year ended 30 June 2014 however the effects on the financial statements of the failure to consolidate have not been determined.

Our audit opinion on the financial report for the period ended 30 June 2014 was modified accordingly. Our conclusion on the current period's financial report is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures.

Qualified Conclusion

Based on our review, which is not an audit, except for the possible effects of matters described in the Basis for Qualified Conclusion paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of First Growth Funds Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*

BDO East Coast Partnership



Alex Swansson
Partner

Melbourne, 27 February 2015

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