



Appendix 4D Half Year Report ended 31 December 2017

Results for announcement to the market

Current Reporting Period
Half Year ended 31 December 2017

Previous Reporting Period
Half Year ended 31 December 2016

	<i>Movement</i>			31 December 2017
				\$
Revenue from ordinary activities	<i>up</i>	2,058.0%	<i>to</i>	357,364
Loss from ordinary activities after tax attributable to members	<i>down</i>	62.1%	<i>to</i>	(167,472)
Net Loss for the period attributable up to members	<i>down</i>	62.1%	<i>to</i>	(167,472)

Revenue from ordinary actives for half year ending 31 December 2017 includes \$331,461 trading income.

EPS *Earnings per Security (cents per share)*

	31 December 2017	31 December 2016
	\$	\$
<i>Basic (loss) per share</i>	(0.02)	(0.06)
<i>Diluted (loss) per share</i>	(0.02)	(0.06)

Net Tangible Asset Backing

	31 December 2017	31 December 2016
	\$	\$
<i>Per ordinary Security (cents per share)</i>	0.2	0.3

Dividends Payable

The Directors do not propose or recommend the payment of a dividend.

Control gained over entities having a material effect

There is no control over any new entities.

Loss of control of entities having a material effect

Nil.

Detail of associates and joint venture entities

Nil.

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First Growth Funds Limited

ABN 34 006 648 835



Interim Report 31 December 2017

First Growth Funds Limited
Directors' Report
31 December 2017

The directors present their report, together with the condensed interim 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 2017.

These financial statements cover the period from 1 July 2017 to 31 December 2017.

Principal activities

The Company has been continuing to operate as a Listed Investment Company for the half year ended 31 December 2017 with the 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	Non-Executive Chairman
Athan Lekkas	Non-Executive Director
Michael Clarke	Non-Executive Director
Anoosh Manzoori	Executive Director (appointed 14 December 2017)

Company Secretary

Julie Edwards

Operating Results

The net loss of the company after income tax for the period was \$167,472 (2016: loss \$442,062).

Review of Operations

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

FGF as an investment company has seen it investing predominantly in unlisted technology based startup companies and listed securities on the Australian Securities Exchange in a variety of industries including resources, technology and health.

The Company's two largest private investments held were Pearl Global Limited (an entity approved by the EPA to commercially process end of life tyres into fuel, char and steel) and Cloud Lumen (a next generation lighting and sensor network company focussing on IoT connected commercial LED lighting). Pearl Global Limited subsequently listed on ASX on 16 February and the convertible notes were converted to shares with the Company remaining an investor.

During the period, the Company announced it was reviewing possible transactions in the Blockchain and digital currency sectors. On 27 November 2017, the company announced a term sheet with Heuresy LLC for an investment in an entity focussed on the design, development and implementation of a new digital currency exchange and associated technology.

On 14 December, FGF strengthened the board with appointment of Anoosh Manzoori as Executive Director.

First Growth Funds Limited
Directors' Report
31 December 2017

Significant Changes in the State of Affairs

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

Subsequent Events

The Company continues to review a number of potential investment opportunities outside of listed equities.

On 2 January 2018, FGF has entered a conditional placement agreement with Blockchain Global Limited (Blockchain Global) and other unrelated sophisticated investors to raise \$3,453,990.

On 25 January 2017, the convertible notes held by FGF were converted into 2,187,500 shares in Pearl Global, with Pearl Global relisting on the ASX on 16 February 2018 with a listing price of \$0.2. At the relisting price, the fair value of FGF's investment was \$437,500.

On 19 February 2018, FGF informed the market that it will continue to work under the Heuresy Term Sheet with engaged technical and legal advisors assisting the parties moving forward with the development of the exchange, the hardware security solution and the related software and applications. Both parties agreed to extend the term sheet until 31 March 2018.

From the period 5 January 2018 through to 26 February 2018, there have been 277,612,937 shares issued from the exercise of listed options raising a total \$5.55 million.

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*.

Signed in accordance with a Resolution of the Directors.



Geoff Barnes
Director

28 February 2018



PITCHER PARTNERS

ACCOUNTANTS • AUDITORS • ADVISORS

Level 38
345 Queen Street
Brisbane
Queensland 4000

Tel: 07 3222 8444
Fax: 07 3221 7779

Postal Address:
GPO Box 1144
Brisbane
Queensland 4001

www.pitcher.com.au
info@pitcherpartners.com.au

KEN OGDEN
NIGEL FISCHER
TERESA HOOPER
MARK NICHOLSON
PETER CAMENZULI
JASON EVANS
IAN JONES
KYLIE LAMPRECHT
NORMAN THURECHT
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Auditor's Independence Declaration

To the Directors of First Growth Funds Limited.

In relation to the independent auditor's review for the half-year ended 31 December 2017, 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*.

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

PITCHER PARTNERS

NIGEL BATTERS
Partner

Brisbane, Queensland
28 February 2018

**First Growth Funds Limited
Financial Report
For the half-year ended 31 December 2017**

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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 at the end of, or during the half year. 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 and principal place of business is:

Level 5
56 Pitt Street
Sydney NSW 2000

The financial report was authorised for issue, in accordance with a resolution of directors, on 28 February 2018.

First Growth Funds Limited
Statement of Profit or loss and other Comprehensive Income
For the half year ended 31 December 2017

		Consolidated	
	Note	31/12/2017	31/12/2016
		\$	\$
Income			
Revenue	3	357,364	16,560
Expenses			
Professional Fees		(53,793)	(72,371)
ASX Fees		(24,584)	(16,116)
Share Registry Fees		(16,890)	(12,512)
Directors Fees		(164,163)	(308,960)
Travel Costs		(97,038)	(8,792)
AFSL support and Secretarial costs		(21,470)	(25,884)
Digital Currency Development Expenses		(76,213)	-
Foreign Currency Gains / (Losses)		(7,183)	-
Other expenses		(63,502)	(13,987)
Loss before income tax expense		(167,472)	(442,062)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(167,472)	(442,062)
Other comprehensive income			
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(167,472)	(442,062)
Loss for the half-year is attributable to:			
Owners of First Growth Funds Limited		(167,472)	(442,062)
Total comprehensive income for the half-year is attributable to:			
Owners of First Growth Funds Limited		(167,472)	(442,062)
Earnings per share for loss attributable to the owners of First Growth Funds Limited			
Basic loss per share	10	(0.02)	(0.06)
Diluted loss per share	10	(0.02)	(0.06)

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 2017

		Consolidated	31/12/2017	30/06/2017
	Note	\$	\$	\$
Assets				
Current assets				
Cash and cash equivalents	9(a)	994,241	840,325	
Trade and other receivables	4	80,266	49,944	
Trading investments at FVTPL	5	242,818	530,000	
Available for sale financial assets	5	700,000	700,000	
Total current assets		<u>2,017,325</u>	<u>2,120,269</u>	
Total assets		<u>2,017,325</u>	<u>2,120,269</u>	
Liabilities				
Current liabilities				
Trade and other payables	6	142,902	78,576	
Total current liabilities		<u>142,902</u>	<u>78,576</u>	
Total liabilities		<u>142,902</u>	<u>78,576</u>	
Net assets		<u>1,874,423</u>	<u>2,041,693</u>	
Equity				
Contributed equity	7	56,863,585	56,863,383	
Share option reserve		296,347	296,347	
Accumulated losses		<u>(55,285,509)</u>	<u>(55,118,037)</u>	
Total equity		<u>1,874,423</u>	<u>2,041,693</u>	

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 2017

	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 half-year	-	-	(167,472)	(167,472)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	--	-	(167,472)	(167,472)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	202	-	-	202
Balance at 31 December 2017	56,863,585	296,347	(55,285,509)	1,874,423
	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 half-year	-	-	(442,062)	(442,062)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(442,062)	(442,062)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,075,605	-	-	2,075,605
Balance at 31 December 2016	56,863,469	296,347	(54,687,710)	2,472,106

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 2017

		Consolidated	
	Note	31/12/2017	31/12/2016
		\$	\$
Cash flows from operating activities			
Proceeds from trading investments		804,998	601,906
Payments for trading investments		(191,525)	(1,498,853)
Payments to suppliers		(466,772)	(287,112)
Interest received		7,013	13,224
Net cash used in operating activities	9(b)	153,714	(1,170,835)
Cash flows from financing activities			
Proceeds from issue of shares		202	2,092,300
Payments for issue of shares		-	(220,195)
Repayment of borrowings		-	(13,000)
Net cash from financing activities		202	1,859,105
Net (decrease)/increase in cash and cash equivalents		153,916	688,270
Cash and cash equivalents at the beginning of the financial half-year		840,325	659,483
Cash and cash equivalents at the end of the financial half-year	9(a)	994,241	1,347,753

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

First Growth Funds Limited
Notes to the Financial Statements
31 December 2017

Note 1. Significant accounting policies

1. Basis of Preparation

These condensed interim general purpose financial statements for the interim half-year reporting period ended 31 December 2017 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 AASB 134 ensures that the financial statements and notes also comply with International Financial Reporting Standard *IAS 34 Interim Financial Reporting*.

This interim financial report is intended to provide users with an update on the year to date 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 2017, 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.

In accordance with ASIC Corporations (Rounding in Financial / Directors Reports) Instrument 2016/191, the amounts in the Directors Report and in the Financial Report have been rounded to the nearest dollar.

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.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

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 course of business.

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.

First Growth Funds Limited
Notes to the Financial Statements
31 December 2017

Note 3. Revenue and other Income

	Consolidated	
	31/12/2017	31/12/2016
	\$	\$
Revenue		
Trading Income	331,461	3,336
Interest	25,903	13,224
Revenue from operations	357,364	16,560

Note 4. Trade and other receivables

	Consolidated	
	31/12/2017	30/06/2017
	\$	\$
Prepayments	26,066	-
Interest receivable	38,890	20,000
Other receivables	8,887	24,264
GST receivable	6,423	5,680
	80,266	49,944

Note 5. Trading Investments and Available for Sale Investments

	Consolidated	
	31/12/2017	30/06/2017
	\$	\$
Shares in Listed Entities	242,818	530,000
	242,818	530,000
Convertible Notes in Pearl Global Pty Ltd *	350,000	350,000
Convertible Notes in Cloud Lumen Pty Ltd **	350,000	350,000
	700,000	700,000

* The convertible notes were issued by Pearl Global Pty Ltd with a fair value of \$1.00 per note. The convertible notes were converted to share 2,187,500 shares in Pearl Global in January 2018, with Pearl Global relisting on 16 February 2018. At the relisting price of \$0.2 per share, the fair value of FGF's investment was \$437,500.

** The convertible notes in Cloud Lumen Pty Ltd were issued 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.

First Growth Funds Limited
Notes to the Financial Statements
31 December 2017

Note 6. Trade and other payables

	Consolidated	
	31/12/2017	30/06/2017
	\$	\$
Trade payables	142,902	78,576
	142,902	78,576

Note 7. Equity - contributed

	Consolidated		Consolidated	
	31/12/2017	31/12/2017	30/06/2017	30/06/2017
	# shares	\$	# 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
06.12.17 Shares Issued at \$0.0200 each from Options exercised	10,101	202	-	-
Less costs incurred from capital raising	-	-	-	(220,281)
Total contributed equity at the end of the period	864,778,612	56,863,585	864,768,511	56,863,383

* Shares issued to Directors and reported at their fair value.

Note 8: Events occurring after the reporting period

The Company continues to review a number of potential investment opportunities outside of listed equities.

On 2 January 2018, FGF has entered a conditional placement agreement with Blockchain Global Limited (Blockchain Global) and other unrelated sophisticated investors to raise \$3,453,990.

On 25 January 2017, the convertible notes held by FGF were converted into 2,187,500 shares in Pearl Global, with Pearl Global relisting on the ASX on 16 February 2018 with a listing price of \$0.2. At the relisting price, the fair value of FGF's investment was \$437,500.

On 19 February 2018, FGF informed the market that it will continue to work under the Heuresy Term Sheet with engaged technical and legal advisors assisting the parties moving forward with the development of the exchange, the hardware security solution and the related software and applications. Both parties agreed to extend the term sheet until 31 March 2018.

From the period 5 January 2018 through to 26 February 2018, there have been 277,612,937 shares issued from the exercise of listed options raising a total \$5.55 million.

First Growth Funds Limited
Notes to the Financial Statements
31 December 2017

Note 9: Notes to statement of cash flows

	Consolidated	
	31/12/2017	31/12/2016
	\$	\$
(a) Reconciliation of cash		
Cash at bank and on hand	994,241	1,347,753
(b) Reconciliation of loss from ordinary activities after income tax to net cash used in operating activities		
Loss from ordinary activities after income tax	(167,472)	(442,062)
Adjustments for non-cash items:		
- Share based payments	-	196,000
Changes in operating assets and liabilities:		
- Increase/(Decrease) in trade and other payables	64,326	(45,014)
- (Increase)/Decrease in trade and other receivables	(30,322)	22,745
- (Increase)/Decrease in trading and available for sale Investments	287,182	(902,504)
Net cash used in operating activities	153,714	(1,170,835)
Note 10. Earnings per share		
	Consolidated	
	31/12/2017	31/12/2016
	cents	cents
Operating loss after income tax used in the calculation of basic and diluted loss per share	(167,472)	(442,062)
Weighted average number of ordinary shares outstanding during the period used in the calculation of basic and diluted earnings per share	864,769,883	783,944,239
Basic loss per share	(0.02)	(0.06)
Diluted loss per share	(0.02)	(0.06)

First Growth Funds Limited
Director's Declaration
31 December 2017

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 2017 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

28 February 2018

Sydney



Level 38
345 Queen Street
Brisbane
Queensland 4000

Tel: 07 3222 8444
Fax: 07 3221 7779

Postal Address:
GPO Box 1144
Brisbane
Queensland 4001

www.pitcher.com.au
info@pitcherpartners.com.au

KEN OGDEN
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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 2017, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the period'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 gives a true and fair view and 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 2017 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*.

Conclusion

Based on our review, which is not an audit, 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 company's financial position as at 31 December 2017 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*.



PITCHER PARTNERS



NIGEL BATTERS

Partner

Brisbane, Queensland

28 February 2018

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