FirstGrowthFunds Limited

ABN 34 006 648 835

Financial Statements
30 June 2020

Directors	Mr Anoosh Manzoori (Executive Chairman & CEO) Mr Athan Lekkas Mr Geoff Barnes Mr Michael Clarke
Company Secretaries	Mr Mark Pryn Mr Robert Kleine
Registered and principal office	Level 14 440 Collins Street Melbourne VIC 3000
Share register / Transfer Agent	Odyssey Trust Company 1230-300 5 Ave SW Calgary, AB T2P 3C4
Auditor	Pitcher Partners Level 38, Central Plaza, 345 Queen Street Brisbane QLD 4000
Stock Exchange Listing	Canadian Securities Exchange (CSE:FGFL)
Website address	www.firstgrowthfunds.com

The directors present their report on the consolidated entity consisting of First Growth Funds Limited (the Parent Entity) and the entities that it controlled for the reporting year ended 30 June 2020. The consolidated entity may also be referred to as the "Group" and the Parent Entity may also be referred to as the "Company". These Financial Statements cover the period from 1 July 2019 to 30 June 2020.

Principal activities

The Group's principal business activities are to provide advisory services to both listed and private unlisted companies, to present investment opportunities to accredited investors in Australia and earn commission fees and to manage a diversified portfolio of different assets and classes including large and small cap listed equities, private equity and pre-IPO investments, convertible notes, loans and cryptocurrencies investments.

Directors

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

Anoosh Manzoori
Athan Lekkas
Geoff Barnes
Michael Clarke
Daniel Zhang (resigned 5 July 2019)

Review and results of operations

For the year ended 30 June 2020, the net consolidated profit was $934,339 (2019; $3,916,523 loss) and net cash inflow from operating activities was $1,883,784 (2019: $5,219,364 outflow from operating activities). As at 30 June 2020, total assets were $9,155,661 (2019: $8,242,711) and net assets were $9,027,980 (2019: $8,093,641).

The net consolidated profit for the year includes asset impairments of $638,252 (2019: $2,089,867) Net cash flow from operating activities includes net proceeds from the sale of listed securities totalling $3,182,409 ($2019: $1,269,388 net purchases).

Matters subsequent to the end of the financial year

- On 15 July 2020, the company's 10% Helbiz Inc convertible notes converted to Helbiz Inc common stock at a conversion price of USD$23.27. The company originally invested USD$150,000 in Helbiz Inc 10% convertible notes in June 2019.
- On 4 August 2020, the company granted 500,000 options to an unrelated advisor. Each option carries the right to acquire one fully paid ordinary shares with an exercise price of CAN$0.28. The options expire 12 months from the grant date.
- On 6 August 2020, the company granted 500,000 options to an unrelated advisor. Each option carries the right to acquire one fully paid ordinary shares with an exercise price of CAN$0.28. The options expire 12 months from the grant date.

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 Group, the financial performance of those operations or the financial position of the Group in the subsequent financial year.

Environment Regulation

The operations of Group are not subject to any significant environmental regulations.

Dividends

There were no Dividends declared or paid during the reporting year.

Information on Directors

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

Mr. Anoosh Manzoori (Executive Chairman and Chief Executive Officer: Appointed 08 December 2018)

Anoosh was appointed as the entity's Executive Chairman and Chief Executive Officer on 2 December 2019. Previously Anoosh held the role of Executive Chairman.

Mr Manzoori has extensive investment and corporate advisory experience across many verticals with a particular interest in the technology sector. His experience includes equity capital markets, M&A, and private placements. Mr Manzoori has many years of investment experience having advised many cross-border transactions between Australia and Canada and USA. He has completed private placements for many public companies on the ASX and also taken multiple companies public in North America. Other current board appointments include Non-Executive Director of IOT technology development company Constellation Technologies Limited (ASX:CT1). He was also previously a Non-Executive Director of anti-counterfeit technology company YPB Group Limited (ASX:YPB). Prior to starting his investment banking career he was awarded the 'Entrepreneurial Scholarship' sponsored by Ernst & Young, The American Chamber of Commerce and Playford Capital before founding one of Australia's largest cloud hosting companies reaching over 75,000 customers before selling the company to MYOB Limited in 2008. Anoosh holds a Bachelor of Science degree and a Graduate Diploma of Business Enterprise and is also a member of the Australian Institute of Company Directors.

Other Current Directorships:

CCP Technologies Ltd

Former Directorships in last three years:

YPB Group Limited (resigned 4 June 2019)

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:

SQID Technologies Limited (CSE:SQID) (appointed 24 February 2020)

Former Directorships in last 3 years:

Xped Limited (resigned 26 March 2018)

Mr. Geoff Barnes (Non-Executive Director: 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. 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

SQID Technologies Limited (CSE:SQID) (appointed 6 August2019)

Former Directorships in last 3 years

Xped Limited (resigned 31 August 2016)

Mr. Daniel Zhang (Non-Executive Director: Appointed 13 March 2018 and resigned 5 July 2019)

Other Current Directorships

Nil

Former Directorships in last 3 years

Nil

Information on Company Secretaries

Mr Mark Pryn (Company Secretary and Chief Financial Officer: Appointed 8 October,2019)

Mr Pryn is a Chartered Accountant and a member of the Governance Institute Australia with over 25 years' corporate experience in senior finance and governance roles, including 10 years as an ASX listed company secretary. Mr Pryn is also Chief Financial Officer.

Mr Robert Kleine (Company Secretary: Appointed 8 October,2019).

Mr Kleine is a CPA qualified accountant and a member of the Governance Institute Australia with financial reporting, company secretarial and compliance support experience across a range of industries and also within ASX listed environments.

Mrs. Julie Edwards (Appointed 1 September 2016 resigned 8 October 2019)

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 2020, and the numbers of meetings attended by each director were:

Full Board

	Full Board		Audit Committee	
	Attended	Held*	Attended	Held*
Geoff Barnes	3	4	-	-
Michael Clarke	4	4	1	1
Athan Lekkas	4	4	1	1
Anoosh Manzoori	4	4	-	-
Daniel Zhang	-	-	-	-

* Held represents the number of meetings held during the time the director held offices or was a member of the relevant committee. The Remuneration Committee did not meet during the year.

Options

At the date of this report First Growth Funds Limited had 1,000,000 outstanding options issued to unrelated parties. Each option carries the right to acquire one fully paid ordinary share. The terms attached to the options are set out below:

	Tranche 1	**Tranche 2**
Grant date	August 4 2020	August 6 2020
Number granted	500,000	500,000
Exercise price (Canadian dollars)	$0.28	$0.28
Expiry date	August 4 2021	August 6 2021

The options form part of the consideration for services rendered under investor relations and corporate advisory consulting arrangements.

During the reporting year there were no options exercised and no shares issued on the exercise of these options.

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 (the Parent Entity) only.

	Short-term benefits			**Post-employment benefits**	**Long-term benefits**	**Equity based payments**		**Proportion of remuneration that is performance based %**
Name	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity settled	Total	
	$	$	$	$	$	$	$	
2020								
Executive Directors								
Anoosh Manzoori	240,000	-	-	-	-	-	240,000	0%
Non -Executive Directors:								
Geoff Barnes	60,000	-	-	-	-	-	60,000	0%
Athan Lekkas	60,000	-	-	-	-	-	60,000	0%
Michael Clarke	60,000	-	-	-	-	-	60,000	0%
2019								
Executive Directors								
Anoosh Manzoori	175,007	-	-	-	-	360,000	535,007	67%
Non -Executive Directors:								
Geoff Barnes	60,000	-	-	-	-	-	60,000	0%
Athan Lekkas	60,000	-	-	-	-	-	60,000	0%
Michael Clarke	60,000	-	-	-	-	-	60,000	0%
Daniel Zhang	60,000	-	-	-	-	-	60,000	0%

Mr Manzoori's share based payments were $nil (2019: $360,000). The share-based performance payments in the previous financial year related to the issue of 1,500,000 milestone shares. Directors' remuneration is otherwise fixed.

At the beginning of the reporting period Mr Manzoori held 10,000,000 options which were granted to Mr Manzoori, as share based payments and as part of his director's remuneration approved by shareholders in February 2018. On 27 November 2020, shareholders approved a 20:1 share and option consolidation. On March 12, 2020, the options expired.

Ordinary shares held by directors

Name	Balance at the start of the year	Share consolidation**	Off market additions	Disposals	Balance at the end of the year
2020					
Geoff Barnes	128,000,000	(121,600,000)	-	-	6,400,000
Michael Clarke	15,030,302	(14,278,786)	-	-	751,516
Athan Lekkas	40,745,454	(38,708,180)	-	-	2,037,274
Anoosh Manzoori	60,000,000	(57,000,000)	1,846,756	-	4,846,756
Daniel Zhang	-	-	-	-	-
2019					
Geoff Barnes	128,000,000	-	-	-	128,000,000
Michael Clarke	15,030,302	-	-	-	15,030,302
Athan Lekkas	40,745,454	-	-	-	40,745,454
Anoosh Manzoori	60,000,000	-	-	-	60,000,000
Daniel Zhang	-	-	-	-	-

**On 27 November 2019, shareholders approved a 20:1 share and option consolidation.

The balances reported above remain unchanged at the date of this report.

Options held by directors

Details of options over ordinary shares issued to directors and other key management personnel during the year ended 30 June 2020 are set out below:

Directors' Unlisted Options:

	Balance at the start of the year	Option Consolidation	Exercised, Lapsed or Excluded during the year	Balance at the end of the year
Geoff Barnes	-	-	-	-
Michael Clarke	-	-	-	-
Athan Lekkas	-	-	-	-
Anoosh Manzoori *	10,000,000	(9,500,000)	(500,000)	-
Daniel Zhang	-	-	-	-

* On 27 November 2020, shareholders approved a 20:1 share and option consolidation. On March 12, 2020, the options expired.

The balances reported above remain unchanged at the date of this report.

Remuneration Strategy

The remuneration strategy of FGF focuses on 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 should be designed to be competitive in the listed investment market so as to attract, motivate and retain the best executives available. During the financial year key management personnel received fixed remuneration only.

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

- Driving performance over and above shareholder and market expectations;
- Ensuring variable pay is 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 future remuneration strategy should include fixed remuneration appropriate to the position and relevant market benchmarks supplemented by appropriate short term and long-term incentive plans.

Service Agreements

Anoosh Manzoori (Executive Chairman)

The Company has a consultancy agreement with Polygon Fund Pty Ltd which commenced on 14 December 2017 and was last amended on 6 December 2018 setting the annual remuneration package at $240,000. This agreement can be terminated by either party with three months' notice or three months payment is lieu of such notice.

Athan Lekkas (Non-executive Director)

The Company has a consultancy agreement with Dalext Products Pty Ltd and Mr Lekkas. During the year Dalext Pty Ltd was assigned its rights and obligations under the agreement to Dalext Products Pty Ltd. The agreement commenced on 1 June 2016 with a remuneration package of $60,000 per annum. This agreement can be terminated by written agreement between the parties or on cessation of directorship.

Geoff Barnes (Non-executive Director)

The Board agreed to a remuneration package of $60,000 per annum for non-executive directors' fees Mr Barnes 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) – Resigned 5 July 2019

The Board agreed to a remuneration package of $60,000 per annum for non-executive directors' fees. This agreement was terminated on cessation of directorship.

Other Related Party Transactions

During the year, FGF paid the following amounts to related party entities:

Athan Lekkas

An agreement was entered into on 6 December 2018 for additional consultancy services of $90,000 per annum. Under the consultancy agreements a related entity of Mr. Lekkas was paid $90,000 (2019: $50,918). This agreement can be terminated by either party with six months' notice.

Geoff Barnes

During the year Australian Financial Service Licence (AFSL) fees were paid to a related entity of Mr. Barnes of $nil (2019: $68,000).

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

Earnings

The earnings of the consolidated entity for five years to 30 June 2020 are summarised below:

Year Ended 30th June	**2020**	**2019**	**2018**	**2017**	**2016**
Profit/(loss) after income tax	934,339	(3,916,523)	(823,090)	(912,539)	(491,202)

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

Year Ended 30th June	**2020*** **	**2019^^**	**2018^^**	**2017^^**	**2016^^**
Share price in $	0.25 CAD	0.18AUD	0.16AUD	0.08AUD	0.14AUD
Dividends declared	Nil	Nil	Nil	Nil	Nil
EPS in cents	1.201	(101.16)	(1.52)	(2.12)	(2.12)

*** The Company was listed on the Canadian Stock Exchange on June 29, 2020. The share price is as at July 3, 2020, being the first day the shares traded.

^^ For comparative purposes, the prior period information has been adjusted to reflect the 20;1 share consolidation approved by shareholders at the November 27, 2019 annual general meeting.

This concludes the remuneration report that has been audited.

Indemnity and insurance of officers

The consolidated entity has indemnified its directors 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 reporting year, the consolidated entity 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 consolidated entity has not, during or since the reporting year, indemnified or agreed to indemnify its auditor or any related entity against a liability incurred by the auditor.

During the reporting year, the consolidated entity has not paid a premium in respect of a contract to insure the auditor 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 consolidated entity, or to intervene in any proceedings to which the consolidated entity is a party for the purpose of taking responsibility on behalf of the consolidated entity for all or part of those proceedings.

Non-audit services

The directors are 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. The directors are satisfied that the services set out in note 20 to the financial statements did not compromise the external auditor's independence 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 (including Independence Standards)set by the Accounting Professional and Ethical Standards Board.

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 11.

Likely Developments and Expected Results from Operations

The Company does not expect a change in the nature of its operations and will continue 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 than the matters referred to in the Review of Operations.

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

On behalf of the directors

Anoosh Manzoori
Executive Chairman
17 September 2020

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

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The Directors
First Growth Funds Limited
Level 14, 440 Collins Street
Melbourne VIC 3000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2020, 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 (including Independence Standards)*.

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

Pitcher Partners

PITCHER PARTNERS

DAN COLWELL
Partner

Brisbane, Queensland
17 September 2020

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First Growth Funds Limited
Consolidated Statement of Financial Position
As at 30 June 2020

	Note	2020 $	2019 $
Assets			
Current Assets			
Cash and cash equivalents	7	**4,349,767**	2,255,897
Trade and other receivables	8	**12,704**	78,896
Inventories (cryptocurrencies)	9	**47,200**	685,452
Financial assets	10	**3,126,095**	2,560,894
Intangible assets (cryptocurrencies)	11	**-**	210,086
Other assets	12	**11,328**	-
Total current assets		**7,547,094**	5,791,225
Non-current Assets			
Financial assets	10	**1,608,567**	2,451,486
Investments accounted for using the equity method	13	**-**	-
Total non-current assets		**1,608,567**	2,451,486
Total assets		**9,155,661**	8,242,711
Liabilities			
Current liabilities			
Trade and other payables	14	**127,681**	149,070
Total current liabilities		**127,681**	149,070
Total liabilities		**127,681**	149,070
Net Assets		**9,027,980**	8,093,641
Equity			
Contributed equity	15	**67,635,788**	67,635,788
Share option reserve	16	**-**	19,156
Accumulated losses		**(58,607,808)**	(59,561,303)
Total equity		**9,027,980**	8,093,641

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

First Growth Funds Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2020

	Note	2020 $	2019 $
Income/(loss) from continuing operations			
Revenue from continuing operations		**305,290**	235,464
Direct costs		**(251,705)**	(289,766)
Net income (loss) from continuing operations	4	**53,585**	(54,302)
Income/(loss) from investments			
Interest revenue		**95,660**	199,148
Dividends received		**-**	18,167
Change in financial assets at fair value through profit and loss		**2,798,472**	(1,327,264)
Asset impairments	5	**(638,252)**	(2,089,867)
Other gains and losses		**(15,627)**	(51,764)
Income (loss) from investments		**2,240,253**	(3,251,580)
Net income/(loss)		**2,293,838**	(3,305,882)
Operating expenses			
AFSL[1] support		**(36,000)**	(89,823)
Director related costs		**(480,000)**	(446,308)
Director - share based payments		**-**	(360,000)
Insurance and professional fees		**(595,557)**	(484,624)
Listing and share registry fees		**(99,395)**	(44,435)
Travel expenses		**(56,703)**	(218,957)
Other expenses		**(91,844)**	(116,937)
Total operating expenses		**(1,359,499)**	(1,761,084)
Profit/(loss) from continuing operations before income tax expense		**934,339**	(5,066,966)
Income tax expense	6	**-**	-
Profit/(loss) from continuing operations after income tax expense		**934,339**	(5,066,966)
Profit from discontinued operation after tax	27	**-**	1,150,443
Profit and loss after income tax expense		**934,339**	(3,916,523)
Other comprehensive income		-	-
Total comprehensive income/(loss)		**934,339**	(3,916,523)
Basic and diluted earnings per share from continuing operations (cents)**	26	1.20	(6.54)

[1] *AFSL – Australian Financial Services Licence*

*.** The comparative weighted average number of ordinary shares and the resultant earnings per share calculations have been adjusted to reflect the 20 for 1 share consolidation completed December 2, 2019.*

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

First Growth Funds Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2020

	Contributed equity $	Share option reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2019	**67,635,788**	**19,156**	**(59,561,303)**	**8,093,641**
Profit after income tax expense for the year	-	-	934,339	**934,339**
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	**-**	**-**	934,339	**934,339**
Transactions with owners in their capacity as owners:				
Transfer of expired options to accumulated losses	-	(19,156)	19,156	**-**
Balance at 30 June 2020	**67,635,788**	**-**	**(58,607,808)**	**9,027,980**
Balance at 1 July 2018	**67,155,788**	**139,156**	**(55,644,780)**	**11,650,164**
Loss after income tax expense for the year	-	-	(3,916,523)	**(3,916,523)**
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	**-**	**-**	(3,916,523)	**(3,916,523)**
Transactions with owners in their capacity as owners:				
Milestone shares issued to key management personnel	-	360,000	**-**	**360,000**
Milestone shares converted to ordinary shares	480,000	(480,000)	**-**	
Balance at 30 June 2019	**67,635,788**	**19,156**	**(59,561,303)**	**8,093,641**

First Growth Funds Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2019

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from the ordinary course of operations		**39,150**	56,498
Proceeds from sales of inventories (cryptocurrencies)		**249,835**	97,471
Interest received		**71,938**	92,079
Dividends received		**-**	18,167
Payments to suppliers		**(1,407,843)**	(1,455,806)
Payments for inventories (cryptocurrencies)		**(251,705)**	(688,981)
Proceeds from sale of financial assets – listed securities		**4,092,246**	8,449,789
Payments for financial assets – listed securities		**(909,837)**	(9,719,177)
Payments for financial assets – unlisted securities		**-**	(2,284,238)
Proceeds from deposits refunded		**-**	214,834
Net cash flows from / (used in) operating activities	25	**1,883,784**	(5,219,364)
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired		**-**	2,022
Disposal of subsidiaries, net of cash disposed		**-**	(8,718)
Intangible proceeds (cryptocurrencies)		**210,086**	**-**
Loans provided		**-**	(543,007)
Net cash from / (used in) investing activities		**210,086**	(549,703)
Effect of exchange rate movement		**-**	**-**
Net (decrease)/increase in cash & cash equivalents		**2,093,870**	(5,769,067)
Cash & cash equivalents at the beginning of the financial year		**2,255,897**	8,024,964
Cash & cash equivalents at the end of the financial year	7	**4,349,767**	2,255,897

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

Note 1 Nature and Continuance of Operations

The Parent Entity, First Growth Funds Limited is incorporated under the Laws of Australia, specifically the Corporations Act 2001. The registered office of First Growth Funds Limited is located at Level 14 44 Collins St Melbourne, Victoria, 3000, Australia and its principal place of business is located at Level 5 56 Pitt Street Sydney, New South Wales, 2000, Australia. The Parent Entity listed on the Canadian Securities Exchange on 29 June 2020 under the trading code of FGFL.

The Consolidated Entity ("Group") comprises First Growth Funds as the parent and two wholly owned controlled entities:

- ICO-AN Pty Ltd (incorporated in Australia 17 November 2017)
- First Growth Advisory Pty Ltd (incorporated in Australia 8 December 2018)

The Group's principal business activities are to provide advisory services to both listed and private unlisted companies, to present investment opportunities to accredited investors in Australia and earn commission fees and to manage a diversified portfolio of different assets and classes including large and small cap listed equities, private equity and pre-IPO investments, convertible notes, loans and cryptocurrencies investments..

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').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for the following:

- Financial assets and financial liabilities which are initially recognised at their fair values and subsequently measured at their respective values in accordance with *AASB 9 Financial Instruments* and *AASB 13 Fair Value Measurement*.
- Inventories are valued at the lower of their cost and the net realisable value per *AASB 102 Inventories*;
- Intangible assets are valued at their recoverable amounts being the net of their carrying values and the impairment losses provided for the reporting year.

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(l).

Parent entity and subsidiary information

These financial statements present the results of the consolidated entity only. Supplementary information about the Parent Entity and its subsidiaries is disclosed in Note 23 and Note 24 respectively.

Note 2. Accounting policies

This note provides an overview of the Group'saccounting policies that relate to the preparation of the financial report as a whole and do not relate to specific items. Accounting policies for specific items in the consolidated statement of financial position or consolidated statement of profit or loss and other comprehensive income have been included in the respective note.

(a) New or amended Accounting Standards adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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

AASB 16 Leases

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces *AASB 117* 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under *AASB 16* will be higher when compared to lease expenses under *AASB 117*. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under *AASB 16*. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. *AASB 16* did not impact the consolidated entity as there are no operating leases.

(b) Principles of consolidation

The consolidated financial statements incorporate the assets, liabilities, revenue and expenses of all subsidiaries of First Growth Funds Limited (the parent entity) as at 30 June 2020. The Parent Entity 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 Parent Entity 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.

Any 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.

(c) Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

(d) Foreign currency translation

The financial report is presented in Australian dollars, which is the Group’s functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are initially translated into Australian dollars using the exchange rates prevailing at the dates of the transactions and at subsequent reporting date’s closing rate for monetary items. 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 consolidated entity had no foreign operations during the reporting year.

(e) Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest

in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

(f) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

(g) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(h) 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.

(i) New Accounting Standards not yet mandatory or early adopted

None.

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(j) 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.

(k) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the year. Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

(l) Use of Judgements

The significant judgements estimates and assumptions that may affect the carrying amounts of assets and liabilities within the next financial year are discussed below.

1) Investment Entity

   Management has determined that th Group is not an investment entity pursuant to IFRS 10, which defines several characteristics of an investment entity. The Company does not provide investment management services for fees. The Company's business activities consist primarily of advisory services and finder's fees. The Company realizes capital appreciation and investment income; however, this is not the primary business activity. The Company does not measure and evaluate substantially all its investments at fair value. Accordingly, management has determined the Company is not an investment entity pursuant to IFRS 10.

2) Valuation of financial assets

   The Group invests in various financial instruments exposing it to a number of financial risks, including market risk, credit risk and liquidity risk.
   Financial assets (refer note 10) include listed and unlisted securities, convertible notes and any associated accrued interest. Listed securities are classified under Australian Accounting Standards as "level 1" (i.e. where the valuation is based on quoted prices in the market), unlisted securities are classified as "level 3" (i.e. where inputs are unobservable) and convertible notes are accounted for at amortised cost.

3) Accounting for digital currency assets (cryptocurrencies)

   The Group holds digital currency assets classified as inventories (ICO tokens) or intangible assets (pre- ICO tokens) Judgement is required to apply the lower of cost or net realisable value test to inventories and to assess intangibles for impairment.

   Inventories (refer note 9) are measured at the lower of cost or net realisable value

   Intangible assets (refer note 11) are measured using the cost mode and are assessed for impairment when there are indicators of impairment.

4) Deferred income taxes

   The Company recognises the deferred tax benefit of deferred tax assets to the extent their recovery is probable. Assessing the recoverability of deferred tax assets requires management to make significant estimates of future taxable profit. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions from deferred tax assets. There are no deferred tax balances recognised.

   In assessing the probability of realising income tax assets, management makes estimates related to expectations of future taxable income, applicable tax opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. There are no income tax or liabilities recognised

5) Going concern

   These financial statements have been prepared on a going concern basis which assumes that the Company is a will continue in operation for the foreseeable future and at least one year from the date of signing.

Note 3. Classifications

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year. The financial statements are prepared in accordance with the same accounting principles for the reporting period and the comparative period presented.

Note 4. Net income (loss) from continuing operations

	2020 $	2019 $
Advisory / Commission income	45,455	137,993
Digital currency sales (inventories)	249,835	97,471
Revenue from contracts with customer	295,290	235,464
Government grants	10,000	-
Revenue from continuing operations	305,290	235,464
Direct costs	(251,705)	(289,766)
Net income (loss) from continuing operations	53,585	(54,302)

Accounting policy for revenue recognition

The consolidated entity recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue from contracts with customers - sales of inventories (cryptocurrencies)

Revenue from the sale of inventories is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Revenue from contracts with customers - rendering of services – commission income

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Net gain / (losses) on investments and other financial assets

Gains and losses arising from disposal and changes in fair value of investments and other financial assets are recognised in the statement of profit or loss and other comprehensive income in the period in which they arise.

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.

Note 5. Asset impairments

	2020 $	2019 $
Intangible assets (see Note 11)	-	(657,464)
Investments accounted for using the equity method (see Note 13)	-	(332,866)
Inventory write downs (see Note 9)	(638,252)	(50,729)
Loan receivables (see Note 8)	-	(598,808)
Convertible notes (see Note 10)	-	(450,000)
	(638,252)	(2,089,867)

Note 6. Income tax expense

Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable

	2020 $	2019 $
Loss before income tax expense from continuing operations	**934,339**	(5,066,967)
Tax at the Australian tax rate of 27.50% (2019: 27.50%)	**256,943**	(1,393,416)
Tax effect amounts which are not deductible / (taxable) in calculating taxable income:		
Deferred tax asset/(liability) not recognised	**(256,943)**	1,393,416
Income tax expense/(benefit)	**-**	-

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

Income tax losses at the Australian tax rate of 27.5% (2019:27.5%)	**5,539,465**	5,796,408
Franking credits available for subsequent financial years based on a tax rate of 27.50%	**14,781**	14,781

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, and;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

Franking Credits also known as Imputation Credits are a type of tax credit that allows Australian Companies to pass on tax paid at the company level to shareholders. The benefits are these franking credits can be used to reduce income tax paid on dividends or potentially be received as a tax refund.

Accounting policy for income taxes

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,

Note 6. Income tax expense (cont.)

- 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.

The Parent Entity and its subsidiaries have not formed an income tax consolidated group under the Australian tax consolidation regime.

Note 7. Cash and cash equivalents

	2020 $	2019 $
Cash at bank	**4,349,767**	2,255,897

Accounting policy for cash and cash equivalents

Cash and cash equivalents include 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.

Note 8. Trade and other receivables

	2020 $	2019 $
Trade receivables	**-**	107,584
Loss allowance for trade receivables	**-**	(39,875)
	-	67,709
Loans receivable (i) & (ii)	**226,022**	598,808
Impairment allowance for loans receivable	**(226,022)**	(598,808)
GST receivable	**12,704**	11,187
	12,704	78,896

(i) On 1 March 2019 the consolidated entity entered into a short-term arrangement with Australian Nutrition and Sports Limited. Australian Nutrition and Sports Limited, appointed an Administrator in March 2020 and in May 2020 entered a Deed of Company Arrangement with creditors. This loan has been fully impaired.

(ii) The comparative balance includes a fully impaired loan of $372,786. This loan was written off during the current reporting period.

Allowance for expected credit losses

The consolidated entity has recognised a net loss of $nil (2019: $39,875) for specific debtors for which such evidence exists. Trade receivables past due but not impaired amount to $nil (2019: $67,709).

At 30 June 2020, an ageing analysis of those receivables are as follows:

	2020 $	2019 $
Not overdue	-	-
1 to 30 days past due	-	30,667
61 days plus past due	-	37,042
	-	67,709

Note 8. Trade and other receivables (cont.)

Accounting policy for 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 allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Inventories

	2020 $	2019 $
Cryptocurrencies held for sale	**736,181**	736,181
Provision for impairment	**(688,981)**	(50,729)
	47,200	685,452

Accounting policies for inventories

Inventories are measured at the lower of cost and net realisable value. Cryptocurrencies are recognised as inventories where they are held for sale in the ordinary course of business in accordance with guidance provided by the International Financial Reporting Interpretations Committee ('IFRIC') during June 2019. Recoverable amount for cryptocurrencies held for resale is determined with reference to pricing provided on digital currency exchanges.

Cryptocurrency details and movements

As at 30 June 2020 the Group fully impaired the carrying value of the 907,730,000 Sovereign Cash Tokens (SOV) tokens held. The Group also holds 255.5 Ethereum tokens. Movements in cryptocurrency holdings are set out below.

2020	**Sovereign Cash Tokens**		**Bitcoin Tokens**		**Ethereum Tokens**	
	Number	**$**	Number	$	Number	$
Balance, July 1, 2019	907,730,000	638,252	-	-	255.5	47,200
Purchases	-	-	23.5	251,704	-	-
Sales	-	-	(23.5)	(251,704)	-	-
Provision for impairment	(907,730,000)	(638,252)	-	-	-	-
Balance, June 30, 2020	**-**	**-**	-	-	255.5	47,200

2019	**Sovereign Cash Tokens**		**LYM Tokens**		**Ethereum Tokens**	
	Number	**$**	Number	$	Number	$
Balance, July 1, 2018	-	-	3,157,480	224,880	-	-
Sales	-	-	(3,157,480)	(224,880)	-	-
Purchases	907,730,000	688,981	-	-	-	-
Transfer from intangibles	-	-	-	-	255.5	47,200
Provision for impairment	-	(50,729)	-	-	-	-
Balance, June 30, 2019	907,730,000	638,252	-	-	255.5	47,200

Note 10. Investments and other financial assets

	2020 $	2019 $
Current		
Listed securities at fair value through profit or loss (i)	**3,126,095**	2,560,894
	3,126,095	2,560,894
Non-current		
Unlisted securities at fair value through profit or loss (i)	**864,816**	1,731,987
Convertible notes receivable at amortised cost	**743,751**	719,499
	1,608,567	2,451,486

(i) Refer to note 19 for further information on fair value measurement.

Movements between the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	Convertible notes	*Unlisted securities*
2019		
Balance at 1 July 2018	**405,555**	250,000
Additions	**763,944**	1,731,987
Impairment losses	**(450,000)**	-
Fair value through profit or loss	**-**	(250,000)
Balance at 30 June 2019	**719,499**	1,731,987
2020		
Balance at 1 July 2019	**719,499**	1,731,987
Additions	**-**	45,401
Fair value through profit or loss	**-**	132,883
Income accrued	**23,722**	-
Exchange rate gains/(losses)	**530**	-
Reclassification to listed securities	**-**	(1,045,455)
Balance at 30 June 2020	**743,751**	864,816

Accounting policies for investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be 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 a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Amortised cost consists of the initial recognition amount, subsequent recognition of interest income/expense using the effective interest method, repayments and any applicable credit losses.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the consolidated entity intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Note 10. Investments and other financial assets (cont.)

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Note 11. Intangible assets

	2020 $	2019 $
Current		
Cryptocurrencies under development to be refunded (i)	-	210,086

(i) Cryptocurrencies under development are represented by 'rights to acquire tokens' under contracts. During the financial year ended 30 June 2019, the company sought to unwind its cryptocurrency under development activities and negotiated refunds.

The movements between the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	2020 $	2019 $
Opening balance at July 1	**210,086**	914,749
Proceeds on disposal	**(210,086)**	-
Transfer to inventories	-	(47,200)
Impairment losses	-	(657,463)
Closing balance at June 30	-	210,086

Impairment

The intangible impairments recorded for the year ended 30 June 2019, include counterparty defaults on negotiated refund arrangements to terminate contracts providing rights to acquire cryptocurrency tokens and also losses on the sale of rights.

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset.

Cryptocurrencies under development

The consolidated entity measures its cryptocurrencies under development (which are pre-ICO such as unlisted tokens or rights to acquire / distribute tokens) at cost in accordance with AASB 138 Intangible Assets. Unlisted tokens or rights to acquire / distribute tokens are recognised in accordance with IFRICs June 2019 guidance issued on crypto assets.

Note 11. Intangible assets (cont.)

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 12. Other Assets

	2020	2019
	$	$
Prepayments	**11,328**	-
	11,328	-

Note 13. Investments accounted for using the equity method

	2020	2019
	$	**$**
Investment in associate		
Opening balance at July	**-**	332,866
Impairment	**-**	(332,866)
Closing balance at June 30	**-**	-

Interests in associates are accounted for using the equity method of accounting. The company did not consolidate this investment as it did not have control over the investee pursuant to IFRS 10 paragraph 6. The Company's 50% interest provided collective control over the investee pursuant to whereby the joint investors must act together to direct the relevant activities of the investee

Information relating to associates that are material to the consolidated entity are set out below:

			Equity holdings	
Name of entity	*Country of incorporation*	*Class of shares*	*2020 %*	*2019 %*
Cryptodata Vault LLC	United States of America	Ordinary	50	50

Accounting policy for associates

Associates are entities over which the consolidated entity has significant influence but not control or joint control. Investments in associates are accounted for 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 statement of financial position at cost plus post-acquisition changes in the consolidated entity's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. 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.

The consolidated entity discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Note 14. Trade and other payables

	2020 $	2019 $
Trade payables	**32,151**	54,215
Other payables and accruals	**95,530**	94,855
	127,681	149,070

Accounting policy for 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 amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 15. Contributed equity

	2020 No. of ordinary shares	2020 $	2019 No. of ordinary shares	2019 $
Balance at the beginning of the financial period	**1,555,959,281**	**67,635,788**	1,510,959,281	67,155,788
Milestone shares converted to ordinary shares (i)	-	-	45,000,000	480,000
Share consolidation (ii)	**(1,478,161,063)**	**-**	-	-
Balance at the end of the financial period	**77,798,218**	**67,635,788**	1,555,959,281	67,635,788

(i) During the year ended 30 June 2019, 45,000,000 shares valued at $480,000 were issued to a related entity of Anoosh Manzoori. This was the final parcel of milestone shares arrangements approved by shareholder in the previous financial year.

(ii) On 27 November 2019, shareholders approved a 20:1 share and option consolidation.

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

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.

Accounting policy for contributed equity

Contributed equity is the consolidated entity’s ordinary shares issued and 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.

Note 16. Share option reserve

	2020 $	2019 $
Share based payment reserve	-	19,156

Movements	2020 $	2019 $
Balance at beginning of year	19,156	139,156
Milestone shares issued to key management personnel	-	360,000
Milestone shares converted to ordinary shares	-	(480,000)
Transfer of expired options to accumulated losses	(19,156)	-
Balance at end of year	-	19,156

The share-based payments reserve 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 17. Share based payments

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

The expense recognised in relation to the share-based payment transactions was recognised within director fees expense within the statement of profit or loss as follows:

	2020 $	2019 $
Share-based payments expense	-	360,000

Share options

There were no options granted to any directors or key management personnel during the reporting year.

Other share-based payments

Nil.

Accounting policy for share based payments

Share-settled and cash-settled share-based compensation benefits may be provided to employees from time to time. Share-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 share-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the product of the market price on the grant date multiplies the number of shares entitled to the employee or applying 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. Such 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 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

Note 17. Share based payments (cont.)

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 share-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.

Note 18. Financial risk management

Financial risk management objectives

The consolidated entity's activities expose it to a number of financial risks, including market 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.

Market risk

Market risk is a risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk:

- Currency risk
- Price risk
- Interest rate risk

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments would fluctuate due to changes in foreign exchange rates. The consolidated entity is not exposed to any significant foreign currency risk.

Price risk

The consolidated entity's exposure to equity securities price risk arises from investments held by the consolidated entity and are classified in the balance sheet as listed and unlisted equities at fair value through profit or loss.

Based on this exposure, had the share prices increased or decreased by 10% (2019: 10%) the impact on the consolidated entity's loss before tax and net assets would have been:

2020		***Increase 10%***		***Decrease 10%***
	Impact on profit before tax	***Impact on equity***	***Impact on profit before tax***	***Impact on equity***
Listed securities	312,610	312,610	(312,610)	(312,610)

2019		***Increase 10%***		***Decrease 10%***
	Impact on profit before tax	***Impact on equity***	***Impact on profit before tax***	***Impact on equity***
Listed securities	256,089	256,089	(256,089)	(256,089)

Note 18. Financial risk management (cont.)

Interest rate risk

Interest rate risk arises from the consolidated entity's interest-bearing financial assets and liabilities. The consolidated entity carries cash balances with major Australian Banks which are exposed to variable interest rates. The major Australian Banks all have Standard & Poor's credit ratings of AA-. The Australian Reserve Bank cash rate is less than 1%, accordingly the impact of a 10% movement in interest rates is deemed immaterial. The consolidated entity does not currently carry financial liabilities with variable interest rates.

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 maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available.

The consolidated entity has a total credit risk exposure of $743,751 (2018: $719,499) on its convertible notes invested with various parties at reporting date. Management have impaired convertible notes invested by $nil (2019: $450,000).

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

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.

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 amortised cost of discounted cash flows of the financial instruments stated on the statement of financial position:

2020	*1 year or less* $	*Between 1 and 2 years* $	*Between 2 and 5 years* $	*Over 5 years* $	*Remaining contractual maturities* $
Non-derivatives					
Non-interest bearing					
Trade and other payables	127,681	-	-	-	127,681
Total non-derivatives	127,681	-	-	-	127,681

2019	*1 year or less* $	*Between 1 and 2 years* $	*Between 2 and 5 years* $	*Over 5 years* $	*Remaining contractual maturities* $
Non-derivatives					
Non-interest bearing					
Trade and other payables	149,070	-	-	-	149,070
Total non-derivatives	149,070	-	-	-	149,070

Note 19. Fair value measurement

Fair value hierarchy

The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2020				
Financial assets at fair value through profit or loss				
- Listed securities (i)	1,341,246	-	1,784,849	3,126,095
- Unlisted securities (ii) & (iii)	-	281,536	583,280	864,816
Total	1,341,246	281,536	2,368,129	3,990,911

	Level 1	Level 2	Level 3	Total
	$	$	$	$
2019				
Financial assets at fair value through profit or loss				
- Listed securities	2,560,894	-	-	2,560,894
- Unlisted securities (i)	-	-	1,731,987	1,731,987
Total assets	2,560,894	-	1,731,987	4,292,881

(i) Quoted trading prices in active markets are not always available for listed securities. Where there are no observable valuation inputs, investments in listed securities are classified as Level 3 in the fair value hierarchy. To determine the enterprise value as an approximation of fair value of a listed security classified as Level 3, the company applies conservative revenue multiples. As at 30 June 2020, a revenue multiple of 2.5 times reduced by a non-controlling interest discount of approximately 40% was applied to determine the enterprise value of the investee company operating in the payment processing sector.

The fair value of this level 3 investment includes unrealised fair value gains of $739,384 recognised through current year profit or loss (2019: $nil). The investee company listed during the current reporting period and prior to listing the investment's fair value represented the consideration transferred to acquire an interest in the investment. Since listing the volume of shares traded are considered too low to conclude that an active market existed as at 30 June 2020, therefore an alternative fair value approach was adopted. The table below sets out the potential impact to profit before tax and equity resulting from a 20% increase and 20% decrease in the revenue multiples used to determine the fair value of the level 3 investment in listed securities.

	Increase 20% (to 3 times revenue)		***Decrease 20% (to 2 times revenue)***	
	Impact on profit before tax	***Impact on equity***	***Impact on profit before tax***	***Impact on equity***
2020 -Unlisted securities	356,970	356,970	(356,970)	(356,970)
2019_Unlisted securities	-	-	-	-

(ii) Investments in unlisted securities valued at fair value and classified as Level 2 within the fair value hierarchy relate to unlisted options issued by listed entities. The fair value for the options is pegged to the trading prices for the related listed securities.

Note 19. Fair value measurement (cont'd)

(iii) Investments in unlisted securities valued at fair value and classified as Level 3within the fair value hierarchy. The directors have considered the available information regarding these investments and believe it is currently appropriate to recognise a fair value of $864,816 (*2019: $1,731,987)* based on the consideration paid on acquisition.

Note 20. Remuneration of the auditors

During the financial year the following fees were paid or payable for services provided by Pitcher Partners, the auditor of the company and its controlled entities:

	2020 $	2019 $
Audit and other assurance services	**60,250**	55,000
Non-audit services		
Other advisory services	**31,300**	-
Tax compliance services	**6,730**	6,000
	98,280	61,000

Note 21. Key management personnel and other director disclosures

Compensation

The aggregate compensation made to directors of the consolidated entity is set out below:

	2020 $	2019 $
Short-term employee benefits	**420,000**	415,007
Share-based payments	**-**	360,000
Key management personnel	**420,000**	775,007
Independent directors of First Growth Advisory Pty Ltd (a wholly owned subsidiary)	**60,000**	-
	480,000	775,007

Note 22. Related party transactions and balances

The following transactions occurred during the reporting year with related parties in addition to the compensation payments in the above notes to the financial statements:

Director related entities- Transactions	2020 $	2019 $
Consulting services from Peloton Capital Pty Ltd (a related entity of Geoff Barnes)	**-**	68,000
Consulting services from Dalext Pty Ltd (a related entity of Athan Lekkas)	**90,000**	50,918
	90,000	118,918

Director related entities – accounts payable / accrual balances:	2020 $	2019 $
Polygon Fund Limited – Anoosh Manzoori (director fees)	**20,000**	22,000
Shape Capital – Anoosh Manzoori (expense reimbursement)	**-**	927
Sparke Enterprises Pty Ltd – Michael Clarke (expense reimbursement)	**-**	3,024
Dalext Pty Ltd - Athan Lekkas (expense reimbursement)	**-**	2,954
	20.000	28,905

Note 23. The Parent Entity's information

Set out below is the supplementary information about the Parent Entity.

	2020 $	2019 $
Statement of profit or loss and other comprehensive income		
Profit/(loss) for the year	**934,339**	(3,916,523)
Total comprehensive income/(loss)loss for the year	**934,339**	(3,916,523)
Current assets	**7,547,094**	5,791,225
Total assets	**9,155,661**	8,242,711
Current liabilities	**127,681**	149,070
Total liabilities	**127,681**	149,070
Net assets	**9,027,980**	8,093,641
Contributed equity	**67,635,788**	67,635,788
Share options reserve	**-**	19,156
Accumulated losses	**(58,607,808)**	(59,561,303)
Total equity	**9,027,980**	8,093,641

The Parent Entity has not guaranteed any existing or future debts of its subsidiaries nor do it and its subsidiaries have any such debts or contingent liabilities as at the ends of this and last reporting years. The Parent Entity has no capital commitments for property, plant and equipment as at the ends of this and last reporting years.

Note 24. Interest in subsidiaries (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(b) 'Principles of Consolidation':

			Equity holdings	
Name of entity	*Country of incorporation*	*Class of shares*	*2020 %*	*2019 %*
ICO-AN Pty Ltd (incorporated 17 November 2017)	Australia	Ordinary	100	100
First Growth Advisory Pty Ltd (incorporated 8 December 2018)	Australia	Ordinary	100	100

Note 25. Reconciliation of Cash Flows

Reconciliation of the profit/(loss) after tax to the net cash flows from operations	**2020 $**	**2019 $**
Profit/(loss) after income tax	**934,339**	(3,916,523)
Adjustments for non-cash items:		
- Impairment losses	**638,252**	2,362,950
- Advisory income - settled in shares	**(45,455)**	-
- Share-based payments		360,000
- Gain on disposal of discontinued operations	**-**	(1,026,298)
- Bad debt expense	**-**	39,875
Change in operating assets and liabilities		
- (Increase) / decrease in trade and other receivables	**29,150**	(137,296)
- (Increase) / decrease in inventories (cryptocurrencies)	**-**	(464,101)
- (Increase) / decrease in financial assets	**360,215**	(2,528,551)
- (Increase) / decrease in other assets	**(11,328)**	214,834
- Increase / (decrease) in trade and other payables	**(21,389)**	(124,254)
Net cash used in operating activities	**1,883,784**	(5,219,364)

Note 26. Earnings / (losses) per share

Earnings per share from continuing operations	**2020 $**	**2019 $**
Profit/(loss) after income tax	**934,339**	(5,066,967)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share (i)	**77,798,218**	77,434,266
	Cents	*Cents*
Basic and diluted earnings/(loss) per share	**1.20**	(6.54)

Earnings per share from discontinued operations		
Profit after income tax	**-**	1,150,443
	Cents	*Cents*
Basic and diluted earnings/(loss) per share	**-**	1.48

(i) For comparative purposes the weighted average number of ordinary shares used in the FY2019 calculation is 1/20th of the figure at the time to reflect the 20:1 share consolidation that was approved by shareholders on 27th November 2019.

Note 27. Discontinued operations

Description

On 24 May 2019 the consolidated entity sold LINCD HQ Pty Ltd (incorporated in Australia), a subsidiary of First Growth Funds Limited, to Harris Technologies Limited (ASX: HT8) for consideration of $1,150,443 resulting in a gain on disposal before income tax of $1,150,443.

	2019
Financial performance information	**$**
Revenue from continuing operations	13,408
Cost of sales (inventories)	(40,000)
Impairment losses	(23,084)
Other expenses	(74,469)
Loss before income tax expense	(124,145)
Income tax expense	-
Loss after income tax expense from discontinued operations	(124,145)

	2019
Cash flow information	**$**
Net cash from / (used in) operating activities	(336,073)
Net cash from / (used in) investing activities	341,829
Net increase in cash and cash equivalents from discontinued operations	5,756

	2019
Carrying amounts of assets and liabilities disposed	**$**
Cash and cash equivalents	8,718
Inventories	291,867
Financial assets	2,000
Total assets	**302,585**
Trade and other payables	426,730
Total liabilities	**426,760**
Net liabilities	**(124,145)**

	2019
Details of the disposal	**$**
Total sale consideration	
- Tranche 1: 30,000,000 shares in HT8 @ market price $0.033	990,000
- Tranche 2: 20,055,334 options in HT8 @ fair value $0.008	160,443
- Tranche 3: 20,000,000 options in HT8 @ fair value $nil	-
Carrying amount of net liabilities disposed	(124,145)
Gain on deconsolidation of net liabilities	124,145
Profit on discontinued operation before income tax	1,150,443
Income tax expense	**-**
Profit on discontinued operation after income tax	**1,150,443**

Note 28. Subsequent events

- On 15 July 2020, the company's 10% Helbiz Inc convertible notes converted to Helbiz Inc common stock at a conversion price of USD$23.27. The company originally invested USD$150,000 in Helbiz Inc 10% convertible notes in June 2019.
- On 4 August2020, the company granted 500,000 options to an unrelated advisor. Each option carries the right to acquire one fully paid ordinary shares with an exercise price of CAN$0.28. The options expire 12 months from the grant date.
- On 6 August 2020, the company granted 500,000 options to an unrelated advisor. Each option carries the right to acquire one fully paid ordinary shares with an exercise price of CAN$0.28. The options expire 12 months from the grant date.

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.

DIRECTORS DECLARATION

In the directors' opinion:

a) The financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including:

   i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

   ii. giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date, and

b) the 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, and

c) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the directors

Anoosh Manzoori
Melbourne
Director

17 September 2020

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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") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, 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 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 the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 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 (including independence standards)* "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
Valuation of financial assets (Refer to note 10)	
The Group 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 2020 financial assets total \$4,734,662 and include listed and unlisted securities at fair value through profit or loss, and, convertible notes at amortised cost. Financial assets at fair value through profit or loss are classified according to the fair value hierarchy within AASB 13 *Fair Value Measurement* as follows: • Level 1 (i.e. inputs are quoted prices in active markets for identical assets); • Level 2 (i.e. inputs other than quoted prices included within level 1 that are observable, either directly or indirectly); or • Level 3 (i.e. inputs are unobservable). This is assessed as a key audit matter due to: • The significance of the balance, representing 52% of total assets; • The significant judgements and assumptions required for inputs used in the valuation of level 2 and level 3 assets; and • Complexity associated with the accounting for these financial assets.	Our audit procedures included, amongst others: • Obtaining an understanding of the relevant controls associated with the acquisition and accurate measurement of financial assets; • Reviewing portfolio valuations obtained from third parties which confirmed quantity of listed shares held and their market value at the reporting date; • Recalculating the fair value gain or loss recognised in the profit or loss arising from the mark to market adjustments at the reporting date; • Working with our valuation experts, to assess the Group's significant judgements and assumptions for inputs used in asset valuations; • Assessing the reasonableness of valuation methodologies applied, integrity of the valuation models used and accuracy of the underlying data; • Recalculating interest accrued on convertible notes and ensuring it is in accordance with the contractual terms governing the financial instrument; • Considering the recoverability convertible notes through conversion into shares, redemption for cash or another financial asset; and • Assessing the adequacy of the disclosure in the financial report.

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 Group's annual report for the year ended 30 June 2020, 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 Group 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 Group'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 Group'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 Group'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, actions taken to eliminate threats or safeguards applied.

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.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 6 to 8 of the Directors' Report for the year ended 30 June 2020. In our opinion, the Remuneration Report of First Growth Funds Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group 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

DAN COLWELL
Partner

Brisbane, Queensland
17 September 2020