ACORNS GROW AUSTRALIA LIMITED

A.B.N. 26 604 402 815

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2016

ACORNS GROW AUSTRALIA LIMITED
A.B.N. 26 604 402 815

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

CONTENTS

Directors' Report	3
Auditor's Independence Declaration	6
Statement of Profit and Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11
Directors' Declaration	18
Auditors' Report	19

ACORNS GROW AUSTRALIA LIMITED
A.B.N. 26 604 402 815

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT

Your director presents their report on the company for the financial year ended 30 June 2016.

Director

The name of the directors in office at any time during or since the end of the year is:

Mr George S Lucas
Mr Anthony P Fay
Mr Austin C Dillion (Retired 1 May 2016)
Mr Jeffrey D Sippel (Appointed 1 May 2016)
Mr Walter Cruttenden

Directors has been in office since the date of incorporation to the date of this report unless otherwise stated.

Review of Operations

The loss of the company for the financial year after providing for income tax amounted to $1,772,429.

A review of the operations of the company during the year showed that the Company had a core trading operational loss $1,772,429.

Significant Changes in the State of Affairs

No significant changes in the company's state of affairs occurred during the financial year.

Principal Activities

The principal activities of the company during the financial year were to promote the financial product Acorns and assist in the modification of the software to meet Australian operational and regulatory standards.

No significant change in the nature of these activities occurred during the year.

Events Subsequent to the End of the Reporting Year

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Information on Directors

Director	Experience and Number of Shares Held			Special Responsibilities
George S Lucas	Qualifications	-	BSc UNSW	Chairman and Managing Director
	Special Responsibilities Director/Key Person on AFS License	-	Managing	
	George Lucas has over 32 years of experience in the investment banking and funds management industries specialising in developing, managing and structuring financial products. George was previously a director of two listed investment trusts, the Chief Investment officer of Mariner Financial, the head of the London equity derivative trading and structuring department for First Chicago and the head trader of equity derivatives with Citibank in the United Kingdom.			
	Shares held nil			

DIRECTORS' REPORT

Anthony P Fay	30 years experience in the Finance and Banking Industries. Shares held nil	Non-executive Director
Austin C Dillion	A Master of Science in Engineering Design and Innovation from Northwestern University. Shares held nil	Non-executive Director
Walter Cruttenden	Walter Cruttenden is a financial markets innovator, an active founder investor in growth companies that serve a social need - and passionate about history and astronomy. Shares held nil	Non-executive Director
Jeffrey D Sippel	Jeff is currently the Chief Technology Officer of Acorns Grow Inc. Jeff has 17 years of experience building and implementing technology both in the US and globally. Shares held nil.	

None of the Company Directors held any Directorships in listed Companies during the past 3 years.

Joint Company Secretaries

George S Lucas	Appointed 26 March 2015 Secretarial responsibilities.

Meetings of Directors

During the financial year, 4 meeting of directors was held. Attendances were:

	Number of Meetings Eligible to Attend	Number of Meetings Attended
George S Lucas	4	4
Anthony P Fay	4	4
Austin C Dillion	3	3
Walter Cruttenden	4	4
Jeffrey D Sippel	1	1

Environmental Regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Options

As at this date of this report, the issued ordinary shares of Acorns Grow Australia Limited under options are as follows:

Grant date	Date of expiry	Exercise price	Number under option
1/07/2015	1/07/2025	$29,750 per option	8
1/06/2016	1/6/2026	$60,000 per option	3
Total:			**11**

ACORNS GROW AUSTRALIA LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' REPORT

Indemnification of Officers

An Insurance premium of $22,200 was paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

Proceedings on Behalf of the Company.

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director

Dated this: 21 Day of October 2016

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

ACORNS GROW AUSTRALIA LIMITED
ABN 26 604 402 815

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ACORNS GROW AUSTRALIA LIMITED

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2016 there have been:

I. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

II. no contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick

HALL CHADWICK
Level 40,
2 Park Street, SYDNEY NSW 2000

SKumar

Sandeep Kumar
Partner
Dated: 21 October 2016

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ACORNS GROW AUSTRALIA LIMITED
A.B.N. 26 604 402 815

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 $	2015 $
Revenue		154,236	-
Compliance costs		(152,515)	(18,300)
Amortisation and depreciation expenses		(67,192)	(9,597)
Employee benefits expenses		(317,106)	(44,011)
Rental expenses		(79,800)	(5,600)
Consultancy expenses		(172,394)	(58,000)
Sales & Administration expenses		(885,509)	(24,160)
Share based payments expense		(74,473)	-
Other expenses		(126,204)	(11,904)
Loss before income tax		(1,720,957)	(171,572)
Income tax (Expense)/Benefit	2	(51,472)	51,472
Loss for the year		**(1,772,429)**	**(120,100)**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**(1,772,429)**	**(120,100)**

The accompanying notes form part of these financial statements

ACORNS GROW AUSTRALIA LIMITED
A.B.N. 26 604 402 815

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2016

	Note	2016 $	2015 $
CURRENT ASSETS			
Cash and cash equivalents	3	14,855	1,672
Trade and other receivables	4	83,565	-
Other assets		-	13,003
Financial assets	5	29,267	-
Deferred tax assets		-	51,472
TOTAL CURRENT ASSETS		**127,687**	**66,147**
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	3,650	-
Intangible assets	7	687,342	157,175
TOTAL NON-CURRENT ASSETS		690,992	157,175
TOTAL ASSETS		**818,679**	**223,322**
CURRENT LIABILITIES			
Trade and other payables	8	441,438	53,222
TOTAL CURRENT LIABILITIES		441,438	53,222
NON-CURRENT LIABILITIES			
Provisions	9	5,097	-
TOTAL NON-CURRENT LIABILITIES		5,097	-
TOTAL LIABILITIES		**446,535**	**53,222**
NET ASSETS		**372,144**	**170,100**
EQUITY			
Issued capital	10	2,190,200	290,200
Reserves		74,473	-
Retained earnings		(1,892,529)	(120,100)
TOTAL EQUITY		**372,144**	**170,100**

The accompanying notes form part of these financial statements

ACORNS GROW AUSTRALIA LIMITED
A.B.N. 26 604 402 815

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	Ordinary Shares $	C Class Shares $	Accumulated Losses $	Total $
Issued Capital	10	200	290,000	-	290,200
Total comprehensive loss for the year		-	-	(120,100)	(120,100)
Balance at 30 June 2015		**200**	**290,000**	**(120,100)**	**170,100**
Balance at 1 July 2015		200	290,000	(120,100)	170,100
Issued Capital	10	-	1,900,000	-	1,900,000
Total comprehensive loss for the year	10	-	-	(1,697,956)	(1,697,956)
Balance at 30 June 2016		**200**	**2,190,000**	**(1,818,056)**	**372,144**

ACORNS GROW AUSTRALIA LIMITED
A.B.N. 26 604 402 815

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2016

	Note	Ordinary Shares $	C Class Shares $	Reserves $	Accumulated Losses $	Total $
Issued Capital	10	200	290,000	-	-	290,200
Total comprehensive loss for the year		-	-	-	(120,100)	(120,100)
Balance at 30 June 2015		**200**	**290,000**	**-**	**(120,100)**	**170,100**
Balance at 1 July 2015		200	290,000	-	(120,100)	170,100
Issued Capital	10	-	1,900,000	-	-	1,900,000
Total comprehensive loss for the year	10	-	-	-	(1,772,429)	(1,772,429)
Share based payments		-	-	74,473	-	74,473
Balance at 30 June 2016		**200**	**2,190,000**	**74,473**	**(1,892,529)**	**372,144**

ACORNS GROW AUSTRALIA LIMITED
A.B.N. 26 604 402 815

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2016

	Note	30 June 2016 $	30 June 2015 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		70,671	-
Payments to suppliers and employees		(1,605,044)	(121,756)
Net cash used in operating activities	11	**(1,534,373)**	**(121,756)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(4,152)	-
Payment for Licenses and Software		(596,857)	(166,772)
Net cash provided by investing activities		**(601,009)**	**(166,772)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings		2,148,564	290,200
Net cash provided in financing activities		**2,148,564**	**290,200**
Net increase in cash held		**13,182**	**1,672**
Cash and cash equivalents held at beginning of financial year		1,672	-
Cash at 30 June 2016	3	**14,855**	**1,672**

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

The directors have prepared the financial statements on the basis that the company is a non-reporting entity because there are no users dependent on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the needs of the members.

The Company is a for-profit entity for financial reporting under Australian Accounting Standards.

The financial report covers the company of Acorns Grow Australia Limited, a non-listed public company, incorporated and domiciled in Australia.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the director has determined are appropriate to meet the needs of members. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets and financial liabilities.

The financial statements were authorised for issue on 21 October 2016 by the directors of the company

Going Concern Basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

Notwithstanding the company incurred a net loss after income tax for the financial year ended 30 June 2016 of $1,697,956 and a net working capital deficiency of $313,751 as at 30 June 2016 , the directors believe that it is appropriate to prepare the financial report on a going concern basis because:

(i) The company is in its second year of operations.

(ii) The company continues to receive financial support from Instreet Investment Limited.

Accounting Policies

a. **Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting year. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting year. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future years in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. **Intangible assets**

Licence

Brand and technology licences are recognised at cost. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Licences are amortised over their useful life of 5 years.

c. **Leases**

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

d. **Financial Assets**

Recognition

Financial assets are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Available-for-sale financial assets

All investments are classified as available-for-sale financial assets. Available-for-sale financial assets are reflected at fair value unless the fair value cannot be reliably measured. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

e. **Impairment of Assets**

At the end of each reporting year, the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f. **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting year. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cash flows are discounted using market yields on national government bond terms to maturity that match the expected timing of cash flows

g. **Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting year.

h. **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

i. **Revenue and Other Income**

Revenue is measured at the value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

All revenue is stated net of the amount of goods and services tax (GST).

j. **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial postion are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

k. **Accounting Year**

The company's results reflects the period starting 1 July 2015 to 30 June 2016. Note that the company was incorporated on 6 March 2015 and therefore the financial report's comparative figures reflects the results from the date of incorporation to 30 June 2015.

l. **Critical Accounting Estimates and Judgments**

The director evaluates estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

Key estimates

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluation of conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

m. **New Accounting Standards for Application in Future Years**

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the company, together with an assessment of the potential impact of such pronouncements on the company when adopted in future periods, are discussed below:

AASB 15: *Revenue from Contracts with Customers* (applicable to annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services.

To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

	2016	2015
	$	$
NOTE 2: INCOME TAX BENEFIT		
Income tax (expense)/benefit	(51,472)	51,472
	(51,472)	**51,472**
NOTE 3: CASH AND CASH EQUIVALENTS		
Cash on hand	100	100
Cash at bank	14,755	1,572
	14,855	**1,672**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 4: TRADE AND OTHER RECEIVABLES

	2016 $	2015 $
Trade Receivables	45,169	-
Other Receivables	38,395	-
	83,564	-

NOTE 5: FINANCIAL ASSETS

	2016 $	2015 $
Financial Assets Held to Maturity	29,266	-
	29,266	-

NOTE 6: PROPERTY PLANT AND EQUIPMENT

	2016 $	2015 $
Computer Equipment at Cost	4,152	-
Less: Accumulated Depreciation	(502)	-
	3,650	-

NOTE 7: INTANGIBLE ASSETS

	2016 $	2015 $
Licences and software at cost	763,629	166,772
Less: Accumulated amortisation	(76,287)	(9,597)
Total Intangible Assets	**687,342**	**157,175**

Licenses represent brand and technology licences which were contributed by Acorns Grow Inc, a company incorporated in USA. These licences are amortised over a period of 5 years.

NOTE 8: TRADE AND OTHER PAYABLES

	2016 $	2015 $
Trade creditors	158,583	16,201
Other creditors and accruals	13,295	16,025
Loan payable to Instreet Acorns Pty Ltd	269,560	20,996
	441,438	**53,222**

NOTE 9: PROVISIONS

	2016 $	2015 $
Annual leave entitlements	141	-
Long service leave entitlements	4,955	-
	5,097	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 10: ISSUED CAPITAL

	2016	2015
	$	$
200 (prior year: 200) fully paid ordinary shares of $1	200	200
2,190,000 (prior year: 290,000) C Class shares of $1	2,190,000	290,000
	2,190,200	**290,200**

During the year, Instreet Acorns Pty Ltd issued 1,900,000 C class shares to convert the loan from Acorns Grow Australia Limited to equity. The share is an instrument for accounting purposes to ensure the JV terms were met. The C class shares cannot vote and are entitled to no dividends or assets of the company.

NOTE 11: CASH FLOW INFORMATION

	2016	2015
	$	$
(a) Reconciliation of net cash used in operating activities to loss after income tax		
(Loss) after income tax	(1,772,429)	(120,100)
Non-cashflows in loss		
Amortisation and Depreciation	67,192	9,597
Share based payments	74,473	-
Increase / (decrease) in operating assets and liabilities		
Decrease in Trade and other receivables	(83,565)	(13,003)
Increase in Other Assets	13,003	-
Decrease in Trade and other payables	139,652	53,222
Increase in Financial Assets	(29,267)	-
(Decrease)/ increase in Deferred tax assets	51,472	(51,472)
Decrease Provisions for Employee Benefits	5,097	-
Net cash used in operating activities	**(1,534,373)**	**(121,756)**

NOTE 12: EVENTS SUBSEQUENT TO REPORTING DATE

There were no circumstances that have arisen since 30 June 2016 that have significantly affected, or may significantly affect:

(a) The company's operations in the future financial years, or

(b) The result of those operations in future financial years, or

(c) The company's state of affairs in the future financial years.

NOTE 13: CONTINGENT LIABILITIES

There have been no contingent liabilities as at balance sheet date

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

NOTE 14: COMPANY DETAILS

The registered office and principal place of business of the company is:

Level 11

2 Bulletin Place

Sydney NSW 2000

ACORNS GROW AUSTRALIA LIMITED
A.B.N. 26 604 402 815

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' DECLARATION

The director of the company declares that:

1. The financial statements and notes, as set out on pages 7 to 17, present fairly the company's financial position as at 30 June 2016 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and

2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director

Dated this 21 Day of October 2016

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

ACORNS GROW AUSTRALIA LIMITED
ABN 26 604 402 815

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACORNS GROW AUSTRALIA LIMITED

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

Report on the Financial Report

We have audited the accompanying financial report, being a special purpose financial report, of Acorns Grow Australia Limited which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report and have determined that the accounting policies described in Note 1 of the financial report are appropriate to meet the requirements of the *Corporations Act 2001* and to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of *the Corporations Act 2001*.

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ACORNS GROW AUSTRALIA LIMITED
ABN 26 604 402 815

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACORNS GROW AUSTRALIA LIMITED

Auditor's Opinion

In our opinion, the financial report of Acorns Grow Australia Limited is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the company's financial position as at 30 June 2016 and of its performance for the year ended on that date in accordance with the accounting policies described in Note 1; and
b. complying with Australian Accounting Standards to the extent described in Note 1 and complying with the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 of the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

Hall Chadwick

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S Kumar

Sandeep Kumar
Partner
Dated: 21 October 2016