

Giant Leap The good things your money has achieved this year*

*Annual Report: 2019 financial year

An investment in...



Kate Glazebrook, CEO and cofounder of Applied

rapidly
scalable,
early stage
businesses,
fusing profit
and positive
impact,

to demonstrate
the power
of purpose-
driven
businesses,



Simon Sheikh Future Super

Academyxi.com



Ben Wong, CEO and cofounder of Academy Xi

in accelerating
us towards a
better future.

CEO's Letter



Firstly, let me say that we are deeply grateful that you have chosen to entrust us with your capital. Aside from this letter, the rest of this Annual Report is about the specifics of your investment with us, and I hope this gives you a clear, meaningful and useful view of how this venture has performed.

Investors will be familiar with financial reports, but I'd also draw your attention to the impact section. It uses the Impact Management Project to make our impact performance as transparent and glanceable as possible. Please look out for our overall impact report in the coming weeks. It's one of the foundations we've delivered in the last year, and we will be building upon those foundations for the next three years at least.

But before you read this report about the last year, I'd like to share what you can expect to see from Impact Investment Group in the coming months and years.

We have re-articulated our fundamental goals as a company, and you will see this applied as we offer new investment opportunities.

We want to prove that finance can be a force for good. That finance can support outcomes that are good for people and good for the planet.

We believe that aiming for systemic change is our path to meaningful environmental and social impact.

We are therefore developing new investments in the context of broader visions.

We're working to make buildings, towns and cities sustainable, inclusive and beautiful. We've invested in green buildings and run ambitious rejuvenation projects.

We see a future where energy is 100% renewable, affordable and universally accessible. We've helped fund wind and solar farms across Australia.

We know that vibrant businesses can grow while regenerating the earth and empowering people. We've invested in exceptional, rapidly scalable impact businesses.

As an investor, you'll see that we are launching new investments of three types. The different types will be attractive for different kinds of investors with different kinds of portfolios.

We will continue to offer our **Flagship** products; investments with impact that will fit nicely into a mainstream portfolio. Indeed, you will most often see us release new Flagship investment opportunities.

We are also devoting some of our effort to what we call **Explorer** products. As the name suggests, we'll be using these to prove new impact investment models; maybe new financial structures or impact models that are attractive to investors who want to join us pioneering.

Continued overleaf...

CEO's Letter

Continued

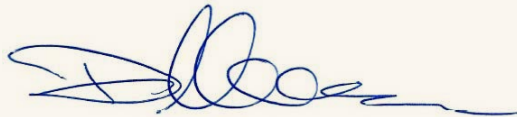
From our own balance sheet, or from the Small Giants balance sheet, we'll also be investing into **Pirate** projects. These, frankly, will have a higher level of financial or impact risk and innovation than we feel comfortable offering to our community of investors. If none of these Pirate products fail then we won't have been pushing hard enough. But any failures would cost us capital, not you.

But to some specifics as well: We have been taking soundings on an alternatives fund - an example of a Flagship product. We know that investors find it hard to fill the alternatives allocation of their portfolio, and we believe we can do that with investments that also have significant impact. Stay tuned.

We have also announced a partnership with WA Super, with the prospect of bringing impact investing to many of WA Super's 60,000 members. We love the idea of superannuation being invested to help achieve financial security in retirement, and to help protect the environment and society those members will retire into.

We have a rather bold pirate project in the works, and we can't wait to tell you about it when the time is right.

As ever, we love to hear from our investors. I look forward to talking with you in the coming year.

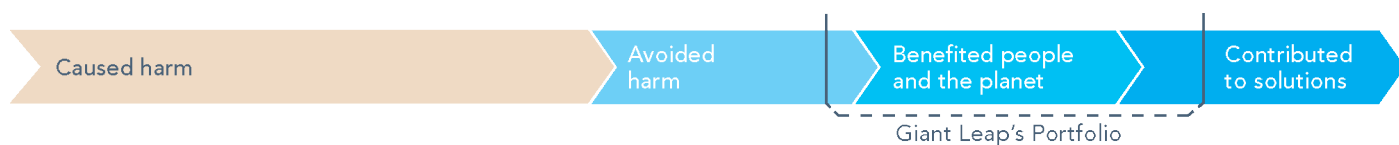
A handwritten signature in blue ink, appearing to read 'Daniel Madhavan', with a long horizontal flourish extending to the right.

Daniel Madhavan - CEO

Impact Report

For the Year Ended 30 June 2019

1. Impact Results



Giant Leap Fund has invested in building the capacity of impact-focused founders, by investing in commercially minded, early-stage businesses driving positive social or environmental change, and by helping to build the impact start-up ecosystem. As a result, we believe more businesses will deliver deeper social and environmental outcomes and ultimately lead to a more inclusive, sustainable, connected, equitable future.

2. Impact Highlights



3 GOOD HEALTH AND WELL-BEING

86% treatment plan adherence
average plan adherence in Perx programs (compared to 50% baseline for non-Perx patients)



4 QUALITY EDUCATION

639 Graduates
Education program graduates (Academy Xi)



8 DECENT WORK AND ECONOMIC GROWTH

\$6.9 million
Gross sales volume generated for independent retailers (YourGrocer)



10 REDUCED INEQUALITIES

446 Candidates
Who otherwise wouldn't have been hired (Applied)



11 SUSTAINABLE CITIES AND COMMUNITIES

3,034 tonnes of CO₂-e emissions
avoided (Switch)



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

137.6 tonnes of waste
diverted from landfill (Goterra+Glamcorner)



13 CLIMATE ACTION

110,800 tonnes of CO₂-e emissions
avoided or abated in FY19

6 billion kms
Cumulative, carbon-neutral delivery (Sendle company lifetime)

\$2 million
Funds divested from direct fossil fuel activity in FY19 (Future Super)

3. Impact Assessment


WHAT


Giant Leap is having direct impact across a number of social and environmental issue areas through its portfolio companies. In addition, it is proving how venture capital can be impact-focused.


WHO


Beneficiaries range from more well-served customers and stakeholders to the more disadvantaged including minority groups and the environment.


HOW MUCH


The assessment of how much impact will likely change over time as portfolio companies mature and impact data becomes more evident.


CONTRIBUTION


We believe that while Giant Leap makes commercial investments, its impact focus is making a contribution to the finance sector that is additional. We do this by demonstrating how venture capitalists can make competitive returns while supporting businesses that are a force for good. We work hard to support the ecosystem and inspire purpose-driven founders who are creating new solutions to old problems.


RISK


Impact risks, including the risk that positive effects do not occur and unintended negative effects occur, is moderate to low across the portfolio.



Invested: August 2016

A carbon-neutral, low-cost, door-to-door parcel delivery platform that lets people send parcels from any pick-up address for a fixed price. By investing in Sendle, we are hoping to reduce greenhouse gas emissions, demonstrate carbon-neutral transport models, and economically empower small businesses via affordable delivery of their goods.

Sustainable Development Goals

- 12 - Responsible consumption and production
- 13 - Climate Action

6 billion+

Kilometres of carbon-neutral delivery in company lifetime



Invested: October 2016

An online, grocery delivery platform supporting independent, local businesses and their local communities. By investing in YourGrocer, we are hoping to economically empower and improve the resilience of local communities.

Sustainable Development Goals

- 8 - Decent Work and Economic Growth

\$6.9 million

Gross FY19 sales volume generated for independent retailers



Invested: July 2017

Australia's leading online designer clothing hire destination creating Australia's ultimate endless wardrobe. By investing in GlamCorner, we are hoping to reduce tonnes of clothing waste in landfill, avoid associated greenhouse gas emissions and water usage, and shift consumer behaviour away from fast fashion towards a sustainable circular economy.

Sustainable Development Goals

- 12 - Responsible consumption and production

116 tonnes

Clothing diverted from landfill in FY19



Invested: September 2017

A smart building platform, improving building efficiency and delivering exceptional occupant experiences. By investing in Switch Automation, we are hoping to contribute to the reduction of greenhouse gas emissions and water usage associated with buildings.

Sustainable Development Goals

- 11 - Sustainable Cities and Communities
- 9 - Industry, Innovation and Infrastructure

3034 tonnes

CO₂-e emissions avoided in FY19 through energy savings and avoided technician site visits



Invested: December 2017

A platform that uses gamification and behavioural psychology to improve treatment adherence. By investing in Perx Health, we are hoping to improve treatment adherence, thereby improving health outcomes for patients and avoiding unnecessary hospitalisations.

Sustainable Development Goals

- 3 - Good health and wellbeing

86% treatment plan adherence

of Perx users (compared to non-users baseline adherence of 50%, a 36% improvement)

AU\$1 million

Estimated healthcare savings from improved treatment adherence in FY19



Invested: June 2018

An organic waste management solution that uses insects to turn food waste into livestock feed and soil conditioner. By investing in Goterra, we are hoping to reduce organic waste sent to landfill and contribute to reduction of greenhouse gas emissions.

Sustainable Development Goals

- 12 - Responsible consumption and production
- 13 - Climate action

21.6 tonnes

Organic waste diverted from landfill by Goterra in FY19

40.3 tonnes

Net CO₂-e emissions avoided in FY19



Invested: July 2018

Australia's first ethical, diversified superannuation portfolio that completely excludes fossil fuels. By investing in Future Super, we are hoping to increase investment in and generation of renewable energy as well as divestment from fossil fuels and contribute to the reduction of greenhouse gas emissions.

Sustainable Development Goals

- 13 - Climate action
- 7 - Affordable and clean energy
- 12 - Responsible consumption and production

110,800 tonnes

CO₂-e emissions avoided or abated in FY19

\$2 million

Funds divested from direct fossil fuel activity in FY19



Invested: October 2018

A recruitment platform that uses behavioural science to remove unconscious bias and improve hiring decisions. By investing in Applied, we are hoping to improve equality, diversity and well-being in the workplace.

Sustainable Development Goals

- 10 - Reduced inequalities
- 8 - Decent work and economic growth

446

Number of candidates hired through Applied in FY19 that wouldn't have been hired otherwise¹

¹ Assumes 30% of all candidates hired wouldn't have been without the platform, although the validation study we did showed it was as high as 60% <https://medium.com/finding-needles-in-haystacks/putting-applied-to-the-test-part-1-9f1ad6379e9e>

Academy Xⁱ

Invested: November 2018

Delivers practical, skill-specific courses in human-centred design, emerging tech and more, to help create a future-ready workforce. By investing in Academy Xi, we are hoping to create employment pathways for graduates, some of whom are disadvantaged.

Sustainable Development Goals

- 4 - Quality education
- 8 - Decent work and economic growth
- 10 - Reduced inequalities

639

Education program graduates

>98%

Program completion rate

>93%

Employment rate (within 3 months of active job-seeking)

129

Pro-bono student consulting projects delivered to cause-based organisations in FY19



Invested: December 2018

Full Cycle Bioplastics has developed a process to turn organic waste into a fully biodegradable, compostable plastic. By investing in Full Cycle Bioplastics, we are hoping to and reduce consumption of unsustainable plastic, divert organic waste from landfill which in turn reduces greenhouse gas emissions.

Sustainable Development Goals

- 12 - Responsible consumption and production

Metric reporting starts FY20

Full Cycle has a bioplastics plant currently under construction and in FY20 will begin reporting amounts of Organic waste diverted from landfill and bioplastic created.

IIG Giant Leap Venture Capital Fund FY19 Financial Reports

(L-R) Rachel Yang, Charlie Macdonald, Amanda Goodman, Peter Cameron
Daniel Madhavan, Adam Milgrom, Kylie Charlton & Will Richardson



Director's Report

For the Year Ended 30 June 2019

The Directors present their report on the IIG Giant Leap Venture Capital Fund ("Fund").

1. Directors

The names of the Directors of the Fund Manager (Giant Leap Manager Pty Ltd) in office at any time during or since the end of the year are:

- Will Richardson
- Amanda Goodman

2. Principal Activities

The principal activities of the Fund include:

- Investing in impact startups in accordance with the Giant Leap's investment mandate; and
- Managing the fund's portfolio of investments.

The Fund was established in FY2016 and has invested in 10 companies as at 30 June 2019.

3. Operating Results

The net profit of the Fund for the period ending 30 June 2019 was \$1,155,108 (2018: \$745,672). This profit includes a fair value adjustment of \$1,287,790 (2018: \$852,462)

The Fund made no distributions during the year.

4. Review of Operations

The Fund's year was dominated by three things;

- The Fund made four new investments during the financial year, and shortly after the year ended, it made three more.
- The Fund is performing well, with an overall 1.41x increase in the combined valuation of its portfolio of investee companies.
- The ecosystem around the Fund is showing increasing levels of interest in the Fund itself, and the impact-driven approach to venture capital investing demonstrated by strong growth in deal flow.

New Investments

In FY2019, the Fund invested in the following companies:

- **Future Super** – Australia's first ethical, diversified superannuation fund that completely excludes fossil fuels (e.g. no coal, oil, or gas, no banks that finance fossil fuels or companies that provide fossil fuel companies with essential services).
- **Applied** – A recruitment platform that removes unconscious bias from the hiring process using behavioural science principles.
- **Academy Xi** – A future focused learning company that delivers practical, job specific courses to drive in-demand skills (e.g. human-centred design, business and emerging technologies), for a future-proof workforce.
- **Full Cycle Bioplastics** – A waste management business that converts organic waste into a compostable and marine degradable bioplastic in a closed loop solution.

Please refer to the Subsequent Events section of this report for details of investments made after 30 June 2019.

Director's Report

(Continued)

For the Year Ended 30 June 2019

4. Review of Operations (Continued)

Follow-on Investments

The Fund also made follow-on investments in the following companies:

- **Sendle** – Australia's only carbon neutral delivery service. This price of the follow-on investment resulted in an implied increase of 1.85 times the value of the Fund's previous investments in Sendle on a blended basis.
- **GlamCorner** - Australia's premier rental fashion website, helping to shift consumers away from fast fashion. The price of the follow-on investment resulted in an implied increase of 1.13 times the value of the Fund's previous investment in GlamCorner on a blended basis.

Portfolio and Performance

Company	Date	Cost	% of Fund [±]	Fair Value	Change in valuation
Sendle	12/08/16	1,759,072	27.26%	3,255,050	1.85x
Your Grocer	11/10/16	841,000	13.03%	1,322,787	1.57x
GlamCorner	18/07/17	750,000	11.62%	847,164	1.13x
Switch**	21/09/17	500,000	7.75%	569,532	1.14x
Perx	22/12/17	100,000	1.55%	100,000	1.00x
Goterra	19/06/18	100,000	1.55%	100,000	1.00x
Future Super*	12/07/18	500,000	7.75%	500,000	1.00x
Applied*/**	19/10/18	107,949	1.67%	103,065	0.95x
Academy Xi*	22/11/18	500,000	7.75%	500,000	1.00x
Full Cycle*/**	20/12/18	106,112	1.64%	106,787	1.01x
Total at 30 June 2019		5,264,133	81.57%	7,404,385	1.41x
Evrnu	03/07/19	500,000	3.25%	500,000	1.00x
Amber	04/07/19	100,000	0.65%	100,000	1.00x
Work180	25/07/19	500,014	3.25%	500,014	1.00x
Academy Xi	24/09/19	89,379	1.38%	283,787	3.18x
Total at 30 September 2019		6,453,526	18.43%	8,788,186	1.36x

*New investments in FY19

**Movement due to foreign currency translation

Drawn Capital

\$5,976,764 drawn as of 30 June 2019. This is 38.86% of the fund's \$15,380,091 total committed capital.

Deal Flow

Giant Leap saw 612 deals this year, being a 41% increase on last year (FY2018, 435 deals).

Director's Report

(Continued)

For the Year Ended 30 June 2019

4. Review of Operations (Continued)

Gender Representation

Female founders or co-founders of investee companies: 4/10 as of 30 June 2019. This is almost double the proportion of the Australian founder ecosystem, in which just over 2/10 founders are female¹.

Supporting the Startup Ecosystem

Giant Leap has grown its profile in Australia's startup ecosystem, helping to raise the profile of an impact-led approach to starting and investing in new companies.

Ecosystem building

- Impact Angel Network
IIG has been awarded \$250k in LaunchVic funding to build a network for prospective angel investors in early stage impact startups
- Partnerships
 - Giant Leap entered into a partnership with the University of Melbourne's Accelerator Program (MAP) to support social impact startups
 - 6/10 of the total MAP 2019 cohort were impact focused, which is up from 4/10 the previous year.
- Jobs board
1000+ unique visitors to the Giant Leap's jobs board and 240+ clicks through to jobs at our portfolio companies

Contributing to Events

- Pause Fest
 - Investment Manager Rachel Yang & Venture Partner Adam Milgrom won a public debate on the topic, "Are impact investors wasting their time?"
 - Will Richardson and Goterra co-founder Olympia Yarger shared the stage to share their startup/investor journey, leading to Olympia calling Will her "Spirit animal".
- Impact Pitch Night 2018
~700 people registered for the pitch night held at the Goods Shed. The Winner was Amber Electric, a company that the Fund also invested in in early FY20.
- Above All Human
The Fund sponsored the event and hosted a number of guests.

¹ Startup Muster (2018), <https://www.startupmuster.com/reports>

Director's Report

(Continued)

For the Year Ended 30 June 2019

4. Review of Operations (Continued)

The Australian Venture Capital Market

The Australian venture capital (VC) sector saw record-breaking investment activity and growth in early-stage deal volume during calendar year 2018, suggesting a healthy ecosystem for Giant Leap.

Australian VCs deployed \$2.2b into start-ups in 2018, almost doubling the previous record set in 2017 (\$1.2b)². According to the Australian Investment Council, this exponential growth was made possible by massive capital inflows from foreign and institutional investors, supported by perceptions of a low-risk economic environment and attractive fundamentals in Australian startups³.

"2018 was the biggest year ever for VC investment into Australian startups... the diversity of the startups being funded is testament to the scale of the economy and opportunity." - Amanda Price, Head of High Growth Ventures at KPMG⁴

While Australian VC funds continue to be largely concentrated in later stage investments, this year showed increased activity in the earlier stages where Giant Leap invests. Australian Series A rounds accounted for 29% of venture deals in 2018, up from 25% in 2017, signifying a growing volume of quality early-stage startups⁵ which is already translating through Giant Leap's deal pipeline.

5. Significant Changes in State of Affairs

Apart from those matters referred to in the previous sections of this report, there have been no other significant changes to the state of affairs of the Fund during the financial year.

6. Subsequent Events

During July 2019, Giant Leap also finalised the following investments:

- **Evrnu** – A textile licensing company that has developed a process for turning clothing waste into high-quality, multi-lifecycle fibre that can replace virgin cotton and synthetic fibre in clothing product.
- **Amber** – An energy retailer that passes wholesale prices through to customers, generating both reduced costs and incentives to shift power usage to times when renewables are online and energy prices are lower.
- **Work180** – An online platform that pre-screens employers to assess how they support women's careers (e.g. paid parental leave, pay equity, flexible working arrangements, employee engagement scores, etc.) to improve gender equality in the workplace and give greater control to women seeking employment. It is the only job platform that pre-screens employers to see how well they support women's careers.

During September, Giant Leap commitment to an additional investment in Academy Xi through the purchase of shares from one of the co-founders to enable their exit from the company. The shares will be purchased by existing Academy Xi investors. Refer to Note 7 of the Financial Statements for more information.

² Australian Investment Council (2019), Australian Private Equity & Venture Capital Activity Report, accessed at <<https://www.aic.co/AIC/Research/Yearbook.aspx?WebsiteKey=cabac208-5371-45e7-b5cb-6d0d81afccd6>>

³ Australian Investment Council (2019), Australian Private Equity & Venture Capital Activity Report, accessed at <<https://www.aic.co/AIC/Research/Yearbook.aspx?WebsiteKey=cabac208-5371-45e7-b5cb-6d0d81afccd6>>

⁴ KPMG, <https://home.kpmg/au/en/home/insights/2019/01/q4-18-venture-pulse-report-infographics.html>

⁵ Australian Investment Council (2019), Australian Private Equity & Venture Capital Activity Report, accessed at <<https://www.aic.co/AIC/Research/Yearbook.aspx?WebsiteKey=cabac208-5371-45e7-b5cb-6d0d81afccd6>>

Director's Report

(Continued)

For the Year Ended 30 June 2019

7. Future Developments

The Fund anticipates first cheques to be fully deployed during 2020.

Signed in accordance with a resolution of the Directors of Giant Leap Manager Pty Ltd by:



William Richardson

Director

Date: 30 September 2019

Statement of Comprehensive Income

For the Year Ended 30 June 2019

	Notes	2019 \$	2018 - Restated \$
Income			
Interest income		1,731	2,297
Other income		2,000	-
Fair Value gain on investments	3	1,287,790	852,462
Total Income		1,291,521	854,759
Expenses			
Events and Marketing		(62,521)	(58,733)
Legal expenses		(8,151)	(19,967)
Partner meetings		(24,058)	(10,939)
Investment management		(5,712)	-
Accounting & Tax fees		(16,130)	(13,500)
Other operating expenses		(19,841)	(5,948)
Total Operating Expenses		(136,413)	(109,087)
Finance costs		-	-
Profit for the Year		1,155,108	745,672
Increase in net assets attributable to the partners from operations		1,155,108	745,672

The Statement of Comprehensive Income above should be read in conjunction with the accompanying notes. The 2018 comparatives have been restated - refer to note 2 for further information.

Statement of Financial Position

As at 30 June 2019

	Notes	2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	2	598,517	39,801
Trade receivables - Other		-	770
Trade receivables - GST		4,214	6,738
Total Current Assets		602,731	47,309
Non-Current Assets			
Investments	3	7,404,385	3,893,527
Total Non-Current Assets		7,404,385	3,893,527
Total Assets		8,007,116	3,940,836
Current Liabilities			
Trade payables		184,554	46,817
Total Current Liabilities		184,554	46,817
Non-Current Liabilities		-	-
Total Liabilities		184,554	46,817
Net Assets Attributable to the Partners		7,822,562	3,894,019

The Statement of Financial Position above should be read in conjunction with the accompanying notes.

Statement of Changes in Net Assets Attributable To The Partners

For the Year Ended 30 June 2019

	General Partner - Restated \$	Limited Partners - Restated \$	Total \$
Equity at 1 July 2018			
Net assets attributable to the partners at 1 July	1,241,829	2,652,190	3,894,019
Capital contributions (Note 4)	833,100	1,940,335	2,773,435
Distributions	-	-	-
Net increase in capital transactions	2,074,929	4,592,525	6,667,454
Profit for the Year	368,371	786,737	1,155,108
Other Comprehensive Income	-	-	-
Net assets attributable to the partners at 30 June	2,443,300	5,379,262	7,822,562
Equity at 1 July 2017			
Net assets attributable to the partners at 1 July	407,917	904,961	1,312,878
Capital contributions	596,112	1,239,357	1,835,469
Distributions	-	-	-
Net increase in capital transactions	1,004,029	2,144,318	3,148,347
Profit for the Year	237,800	507,872	745,672
Other Comprehensive Income	-	-	-
Net assets attributable to the partners at 30 June	1,241,829	2,652,190	3,894,019

The Statement of Changes in Net Assets Attributable to the Partners above should be read in conjunction with the accompanying notes. The 2018 comparatives have been restated - refer to note 2 for further information.

Statement of Cash Flows

For the Year Ended 30 June 2019

	Notes	2019 \$	2018 \$
Cash Flows from Operating Activities			
Receipts from customers		5,494	-
Payments to suppliers		1,124	(84,088)
Interest received		1,731	2,297
Net Cash Flows from Operating Activities		8,349	(81,791)
Cash Flows from Investing Activities			
Investments		(2,223,068)	(2,041,042)
Net Cash Flows from Investing Activities		(2,223,068)	(2,041,042)
Cash Flows from Financing Activities			
Capital contributions received from partners		2,773,435	1,835,469
Net Cash Flows from Financing Activities		2,773,435	1,835,469
Net Increase/(Decrease) in Cash Held		558,716	(287,364)
Cash and cash equivalents at the beginning of the year		39,801	327,165
Cash and Cash Equivalents at End of the Year	2	598,517	39,801

The Statement of Cash Flows above should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

For the Year Ended 30 June 2019

Note 1: General information

The Financial Statements are for the entity Giant Leap Fund Limited Partnership ("the Fund"). The Fund is an incorporated limited partnership, incorporated under the Partnership Act (VIC) 1958. The General Partner of the Fund is Venture Capital Management Partnership ("VCMP").

Note 2: Summary of Significant Accounting Policies

(i) Basis of Preparation

The General Partner has prepared the Financial Statements on the basis that the Fund 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 and have been prepared in order to meet the needs of the stakeholders.

The Financial Statements have been prepared in accordance with the significant accounting policies disclosed below, which the General Partner has determined are appropriate to meet the needs of the stakeholders.

The Financial Statements have been prepared on an historical cost basis except for investments and certain financial assets and financial liabilities (including derivative instruments) which are measured at fair value. Assets held for sale are measured at fair value less costs to sell.

The functional and presentation currency of the Fund is Australian dollars.

(ii) New and amended standards adopted by the Fund

The Fund has applied the following standards for the first time in the financial year beginning 1 July 2018:

- AASB 9 Financial Instruments became effective for annual periods beginning on or after 1 January 2018, replacing AASB 139 Financial Instruments. AASB 9 largely retains the existing requirements for the classification and measurement of financial liabilities, however, it eliminates the previous AASB 139 categories for financial assets of held to maturity, loans and receivables and available for sale. In addition, the standard introduces an 'expected credit loss' model for impairment of financial assets. The adoption of this standard did not have an impact on the fair value calculation for Investments, however it did have an impact on the classification. In the prior year Investments were classified as available for sale whereas they are now classified as fair value through profit and loss. AASB 9 has been applied retrospectively by the Fund, as such the Fund has restated the comparatives figures.
- AASB 15 Revenue from Contracts with Customers became effective for annual periods beginning on or after 1 January 2018. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services, determining whether the timing of the transfer of control is at a point in time or over time. The adoption of this standard did not have a material impact on the Fund's accounting policies nor the amounts recognised in the financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2018 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

(iii) New standards, amendments and interpretations not yet adopted

Certain new accounting standards and interpretations have been published but are not mandatory for 30 June 2019 reporting periods and have not been early adopted by the Fund. The Fund's assessment of these standards has been set out below:

Notes to the Financial Statements

(Continued)

For the Year Ended 30 June 2019

Note 2: Summary of Significant Accounting Policies (Continued)

(iii) New standards, amendments and interpretations not yet adopted (Continued)

AASB 16 Leases will become effective for annual periods beginning on or after 1 January 2019. AASB 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model like the accounting for finance leases under AASB 117. The Fund does not currently hold any leases.

The adoption of AASB 16 is not anticipated to have a material effect on the financial statements of the Fund.

A number of other new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019 and have not been early adopted in preparing these financial statements. None of these new standards are anticipated to have a material effect on the financial statements of the Fund.

(iv) Restated Comparatives

The 2018 comparatives have been restated for the following:

a) The Fund historically classified investments as Available for Sale and measured at Fair Value, recognised through Other Comprehensive Income. Upon application of AASB 9, Investments continue to be measured at Fair Value however the Fund has adopted to irrevocably designate financial assets measured at fair value through the Profit and Loss.

The adoption of AASB 9 has been applied retrospectively, therefore fair value movements previously recognised through Other Comprehensive income have been restated to be recognised through the Profit and Loss. Subsequently, the comparatives in the Statement of Comprehensive Income have been reclassified to income from Fair Value gain on investments, replacing other comprehensive income from changes in the fair value of available-for-sale financial assets.

b) Capital contributions and net profit attributable to the General Partners and Limited Partners in the prior year were found to be misallocated. This has been corrected in the comparatives, reallocating Capital contributions of \$113,076 and net profit of \$25,475 from General Partners to Limited Partners at 30 June 2018. Net assets attributable to each of the Partners at 30 June 2018 in the Statement of Changes in Net Assets Attributable To The Partners and Note 4 have been restated.

(a) Investments

Investments are initially recognised at the fair value of consideration paid.

Subsequent to initial recognition, all Investments classified as Fair Value through Profit or Loss are measured at fair value. Gains and losses arising from changes in the fair value of Investments at Fair Value through Profit or Loss category are presented in the Statement of Comprehensive Income.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The Fund determines fair value at recognition by using the initial cost of the Investment itself, excluding transaction costs, or, where there has been subsequent investment, the price at which a significant amount of new investment into the company was made. Investments made in foreign currency are revalued to the current spot at year end to record the fair value adjustment.

Refer to Note 3 for further information on the valuation of investments.

(b) Revenue

Interest income is recognised in profit or loss on a time basis using the effective interest rate method.

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

Notes to the Financial Statements

(Continued)

For the Year Ended 30 June 2019

(c) Financial instruments

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost less expected credit losses. They are classified as current assets except where the maturity is greater than 12 months after the reporting date, in which case they are classified as non-current.

Trade and other payables

These represent liabilities for goods and services provided to the Fund prior to the end of the financial year which are unpaid. Trade and other payables are recognised initially at fair value and subsequently at amortised cost.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Fund are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

The accounting policies adopted for specific financial liabilities and equity instruments are set out below:

Impairment of financial assets

The Fund assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets are impaired.

For financial assets measured at amortised cost, contract assets and debt investments at Fair Value through other Comprehensive Income an 'expected credit loss' ("ECL") model is used.

The Fund measures loss allowances at an amount equal to 12 month ECLs as the credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition except for all trade receivables and contract assets which the Fund applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Fund considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes analysis based on the Fund's historical experience and forward-looking information.

(d) Net assets attributable to the partners

Net assets attributable to partners' capital are carried at amortised cost consistent with other amounts classified as borrowings.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Notes to the Financial Statements

(Continued)

For the Year Ended 30 June 2019

(f) Taxation

The Partnership is domiciled in Australia. Under the current laws of Australia, there is no income, estate, corporation, capital gains or other taxes payable by the Partnership. Any other tax liability arising on the activities of the Partnership will be borne by the individual partners.

(g) Critical judgements and significant accounting estimates

The preparation of Financial Statements requires the General Partner to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

	2019 \$	2018 \$
Note 2: Cash and cash equivalents		
Cash at bank	598,517	39,801
Note 3: Investments		
(a) Investments at Fair Value are represented by:		
Your Grocer Pty Ltd	1,322,787	1,321,672
Sendle LLC	3,255,050	1,371,855
Switch Automation USA Inc	569,532	500,000
Perx Health (Lucky Health Pty Ltd)	100,000	100,000
Goterra Pty Ltd	100,000	100,000
Glam Corner Pty Ltd	847,164	500,000
Future Superannuation Group Pty Ltd	500,000	-
Be Applied Limited	103,065	-
Academy Xi Pty Ltd	500,000	-
Full Cycle Bioplastics LLC	106,787	-
	7,404,385	3,893,527
(b) Movements during the financial period:		
Opening balance at 1 July 2018	3,893,527	1,000,023
Payments for new investments	1,214,061	1,200,000
Follow on payments	1,009,007	841,042
Fair value price adjustment	1,222,467	852,462
Foreign currency adjustment	65,323	-
Closing balance at 30 June 2019	7,404,385	3,893,527

Notes to the Financial Statements

(Continued)

For the Year Ended 30 June 2019 p

Note 3: Investments (Continued)

The Fund measures its investments at fair value. At the time of acquisition fair value is taken to be the acquisition price. As the Fund only invests in early stage businesses determining fair value has its challenges. There are often no current, short-term, future earnings or positive cash flows, which can make it difficult to gauge the probability of the investment's future success. The Fund therefore places an emphasis on market indicators. The Fund has determined the best indicator of fair value is the most recent equity raise of the fund. In determining the appropriateness of using the most recent equity raise as an indicator of market value the Fund considers whether there are any factors that could indicate that the most recent raise is not reflective of fair value:

- Different rights attached to new and existing investments;
- Disproportionate dilution of existing investors arising from a new investor;
- Whether the new investor is motivated by a strategic consideration; or
- Whether the transaction is considered to be a forced sale of 'recuse package.'

If any of the above factors apply then the Fund will make an allowance against the valuation or disregard the equity raise due to it not being reflective of market.

If there has not been a recent equity raise the Fund will review all information available to it to determine if there are any other factors that might impact the valuation. In the absence of any contradictory information the valuation is left at the value of the last equity.

	General Partner	Limited Partners	Total
Note 4: Partners' Capital Commitments			
Commitment			
Committed Capital at 1 July 2018	4,904,287	10,475,804	15,380,091
Capital committed in the year	-	-	-
Committed capital at 30 June 2019	4,904,287	10,475,804	15,380,091
Contributions			
Capital contributions at 1 July 2018	1,021,037	2,182,292	3,203,329
Capital contributions in the year	833,100	1,940,335	2,773,435
Capital contributions at 30 June 2019	1,854,137	4,122,627	5,976,764
Undrawn commitment at 30 June 2019	3,050,150	6,353,177	9,403,327
Undrawn commitment at 30 June 2018	3,883,250	8,293,512	12,176,762

Balances have been restated from FY18 Financial Statements.

Notes to the Financial Statements

(Continued)

For the Year Ended 30 June 2019

	2019 \$	2018 \$
Note 5: Remuneration of Auditors		
ShineWing Australia:		
Audit of the Financial Statements	11,000	7,000
Taxation services	4,150	4,000
Total Remuneration	15,150	11,000

Note 6: Contingent Liabilities

There are no material contingent liabilities as at 30 June 2019 (30 June 2018: \$nil).

Note 7: Subsequent Events

The Fund invested in the following companies subsequent to year end:

- On 3 July 2019 the Fund invested \$500,000 in Evrnu. Evrnu is a textile licensing company that has developed a process for turning clothing waste into high-quality, multi-lifecycle fibre that can replace virgin cotton and synthetic fibre in clothing product.
- On 4 July 2019 the Fund invested \$100,000 in Amber. Amber is an energy retailer that passes wholesale prices through to customers, generating both reduced costs and incentive to shift power usage to times when renewables are online and energy prices are lower.
- On 25 July 2019 the Fund invested \$500,014 in Work180. Work180 is an online platform that pre-screens employers to assess how they support women's careers (e.g. paid parental leave, pay equity, flexible working arrangements, employee engagement scores, etc.) to improve gender equality in the workplace and give greater control to women seeking employment. It is the only job platform that pre-screens employers to see how well they support women's careers.
- During September 2019 the Fund committed to investing a further \$89,379 in Academy Xi. The Fund will acquire 343,764 shares from one of the co-founders, equating to \$0.26 per share. While the shares will be purchased at a discount, the Fund does not consider the price of the shares to be reflective of the market given the shares will be acquired to facilitate an exit of one of the co-founders of Academy Xi. The investors have committed to participating in a further raise expected in October 2019 at the same price used in the fair value calculation (equal to the initial investment price), as such, the share price subsequent to year end has not been adopted.

Other than the matters referred to in the previous sections of this report, no other matters or circumstances have arisen since the end of the financial period which significantly affected or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Director's Declaration

The Directors have determined that the Fund is not a reporting entity and that these special purpose Financial Statements should be prepared in accordance with the accounting policies described in Note 2 to the Financial Statements.

The Directors declare that:

- a) The Financial Statements comprising the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and accompanying notes, present fairly the Fund's financial position as at 30 June 2019 and its performance for the period ended on that date in accordance with the accounting policies described in Note 2 to the Financial Statements; and
- b) In the Director's opinion, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with the resolution of the General Partner is signed for and on behalf of the Partners by:



William Richardson

Director

Date: 30 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GIANT LEAP FUND LIMITED PARTNERSHIP

Opinion

We have audited the financial report of Giant Leap Fund Limited Partnership (the Entity), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2019, and its financial performance and its cash flows for the year then ended in accordance with Note 2.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 2 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist Giant Leap Fund Limited Partnership to meet the requirements of the Note 2. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors, Management and Those Charged with Governance for the Financial Report

The directors of the General Partner and management are responsible for the preparation and fair presentation of the financial report in accordance with the financial reporting requirements of Note 2 and for such internal control as determined is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the directors are responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 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 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 Entity'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 Entity'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 Entity 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 the audit.

A stylized, handwritten signature in blue ink that reads "ShineWing Australia".

ShineWing Australia
Chartered Accountants

A handwritten signature in blue ink, appearing to read "Rami Eltchelebi".

Rami Eltchelebi
Partner

Melbourne, 30 September 2019

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