ANNUAL REPORT 2011

WESTOZ
INVESTMENT COMPANY LIMITED

Corporate Directory

Corporate Directory

WESTOZ INVESTMENT COMPANY LTD
ABN: 99 113 332 942

Directors

Peter Diamond
Non-Executive Chairman

Philip Rees
Executive Director, Company Secretary

Jay Hughes
Non-Executive Director

Terry Budge
Non-Executive Director

Registered Office

Level 18, Alluvion
58 Mounts Bay Road
Perth Western Australia 6000

Telephone: (08) 9321 7877
Facsimile: (08) 9321 8288
Website: www.westozfunds.com.au

Auditors
Ernst & Young
11 Mounts Bay Road
Perth Western Australia 6000

Bankers

Westpac Banking Corporation
109 St Georges Terrace
Perth Western Australia 6000

Share Registry

Computershare Investor Services Pty Ltd
Level 2
45 St Georges Terrace
Perth Western Australia 6000

Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Directors

Terry Budge, Philip Rees, Jay Hughes and Peter Diamond.

Chairman's Report and the period in review

On behalf of my fellow Directors, I am pleased to present the 2011 Annual Report for the Company.

Significant results from the year are:

- Westoz Investment Company Limited has recorded a pre tax profit of $24,750,512 (2010: profit of $32,184,589) and net profit after tax of $18,133,775 (2010: profit of $23,279,026).
- From this profit, the Directors have declared a final dividend of 8.0 cents per share fully franked (2010: 7.5 cents). An interim dividend of 3.0 cents per share fully franked was paid in February 2011(2010: 2.5 cents).
- 2,505,796 ordinary shares were acquired and cancelled under a share buyback during the period. 3,133,211 new ordinary shares were issued pursuant to the exercise of options. The Company now has 121,644,375 shares on issue to over 900 shareholders.
- Total assets of the company have risen to $192,759,422 at 30 June 2011 from $184,137,905.
- Net assets per share rose from $1.33 at 30 June 2010 to $1.37 per share at 30 June 2011. This figure is after allowance for dividends and all costs and tax on unrealised gains in our investment portfolio.

For more detailed information on the investment performance of the company, I refer you to the Managers' Report on page 4.

The 2011 financial year saw investment markets move both up and down significantly from month to month. Whilst we can always do better, the profit achieved in this environment was satisfactory.

I am particularly pleased that we have been able to grow our dividend payments. As mentioned last year, we consider that consistent dividend payments will ultimately more closely align the market price of our shares with the underlying asset value. Since the inception of Westoz Investment Company Limited, we have now paid 41 cents per share in dividends, which totals over $46 million returned to shareholders.

I remain confident that our investment strategy will continue to generate our desired level of returns over the medium to long term and look forward to reporting on our progress through the coming financial period.

Yours sincerely

PETER DIAMOND
Chairman

About Westoz

- Westoz Investment Company Limited is a listed investment company that focuses on producing a positive return on funds invested.
- It was formed on 11 March 2005 and raised its initial capital for investment in May 2005. As at 30 June 2011, it had $192,395,484 of assets invested.
- The company has appointed Westoz Funds Management Pty Ltd as manager to oversee the investment of its portfolio of assets. The manager is a wholly owned subsidiary of Euroz Limited, a listed company that operates a stock-broking business based in Western Australia.
- The investment mandate is to identify undervalued companies listed on the Australian Securities Exchange and to invest to produce a positive return. Because of the geographic location of the manager, it is anticipated that the majority of situations identified will have a connection to Western Australia and will have a market capitalisation of less than $1 billion.
- The manager is paid a base fee of 1% per annum of funds managed. In addition, where performance exceeds 10% over a twelve month period to the end of June, a performance fee is paid to the manager.

Manager's Report

Portfolio Return

The assets of the company are managed to generate a positive return regardless of the return from the broader Australian share market.

To assist in an assessment of performance, the rate of return before fees and taxes is calculated.

The overall performance of the portfolio on this basis was 14.4% (2010: 24.5%).

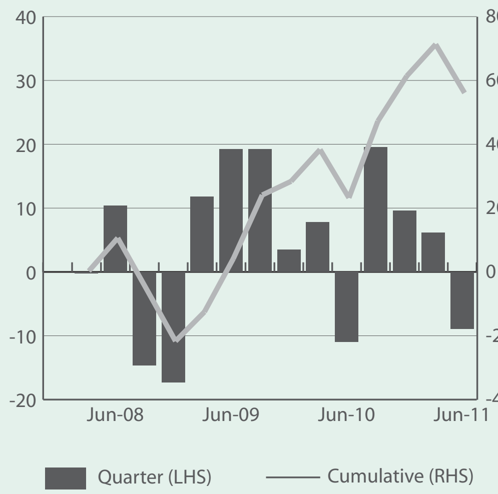
It is the objective of the manager to produce positive investment returns over the medium to long term, thereby boosting the net asset backing per share (NTA) and allowing for the payment of dividends.

The figures presented for information regarding NTA are after all realized costs, dividends and provision is made for tax payable on unrealised gains.

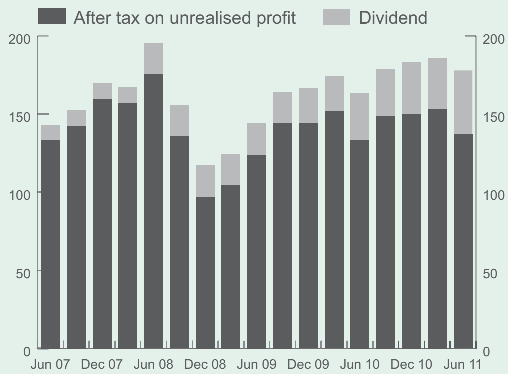
Over the twelve months, this number rose from $1.33 at 30 June 2010 to $1.37 at 30 June 2011.

At 30 June 2011, a provision for payment of 8.0 cent per share dividend was made. This dividend is expected to be paid in August 2011. At 30 June 2010 provision for a 7.5 cent per share dividend was made.

Quarterly & Cumulative Performance %



Net Assets Per Share (cents)



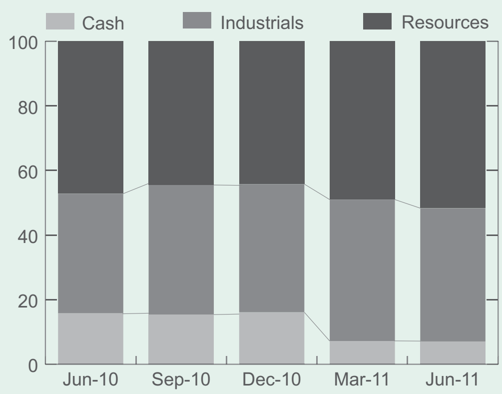
Asset Allocation

Cash levels fell from 15.8% of assets at June 2010 to 7.0% at June 2011. The split between industrial and resource share remained reasonably consistent.

As at 30 June 2011, 7% of assets were held in cash (2010: 15%).

At year's end, investments were held in 13 separate companies.

Asset Allocation %



Investment Portfolio

Industrials			Resources		
Company	**No. of Shares**	**Fair value at 30 June 2011 ($)**	**Company**	**No. of Shares**	**Fair value at 30 June 2011 ($)**
Automotive Holdings Group Ltd	11,950,000	26,648,500	Anvil Mining Limited	240,000	1,416,000
Clough Limited	35,740,000	25,375,400	Aquarius Platinum Limited	1,700,000	7,956,000
iiNet Limited	10,091,818	26,238,727	Aurora Oil & Gas Limited	3,000,000	10,470,000
Neptune Marine Services Limited	29,359,251	1,145,011	Beach Energy Limited	14,612,210	13,370,172
			Indophil Resources NL	16,200,000	5,994,000
			Northern Iron Limited	10,752,869	18,978,814
			OM Holdings Limited	14,400,000	13,248,000
			Regis Resources Limited	8,625,000	21,390,000
			Teranga Gold Corporation	2,650,000	6,545,500
Total Industrials		**79,407,638**	**Total Resources**		**99,368,486**
Cash					13,619,360
TOTAL					**192,395,484**

Outlook

The 2011 financial year saw significant movements in equity markets from month to month. However, the markets did show a reasonable return level over the full period despite a reasonably significant sell off in the final quarter.

We expect the recent volatility to continue. Whilst economic conditions continue to favour our focus area of smaller listed companies with a connection to Western Australia, global factors will continue to influence broader investment markets and will periodically move from a positive to negative influence.

We continue to believe our investment strategy will provide the desired levels of return over the medium to long term.

Philip Rees and Dermot Woods - Directors of Westoz Funds Management

Directors' Report

Your directors submit their report for the year ended 30 June 2011.

1. DIRECTORS

The names of the directors of the Company in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period:

Peter Diamond
Philip Rees
Jay Hughes
Terry Budge

Peter Diamond
Non Executive Chairman

Mr Diamond is the Non-Executive Chairman of the Company and serves on the Company's Audit Committee. He is also the Executive Chairman of Euroz Limited (appointed 20 November 2000) and Non Executive Chairman of Ozgrowth Limited (appointed 9 July 2007). Mr Diamond holds a Bachelor of Business Degree and is a Member of Certified Practicing Accountants Australia.

Philip Rees
Executive Director/Company Secretary

Mr Rees is the Executive Director and Company Secretary of the Company. He is also the Executive Director of Ozgrowth Limited (appointed 31 October 2007) and Chief Investment Officer of Westoz Funds Management Pty Ltd, the manager of the Company's assets. Mr Rees has a Bachelor of Commerce Degree and is a Chartered Financial Analyst. He is also a Senior Fellow of the Financial Services Institute of Australia, a Certified Practicing Accountant and a Fellow of the Chartered Institute of Secretaries.

Jay Hughes
Non Executive Director

Mr Hughes is a Non-Executive Director of the Company and serves on the Company's Audit Committee. He is an Executive Director of Euroz Limited (appointed 20 November 2000) and Non Executive Director of Ozgrowth Limited (appointed 9 July 2007). Mr Hughes holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He was recognised as an affiliate of ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Stockbrokers Association of Australia.

Mr Terry Budge
Non Executive Director

Mr Budge is a Non-Executive Director of the Company and serves on the Company's Audit Committee. He is Chancellor of Murdoch University (appointed to Senate 1 June 2004) and a Director of Aspen Group Limited (appointed 6 May 2005) and a member of the Board of Advice for AON Risk Management Services Australia. Mr Budge holds a Bachelor of Economics from Monash University and is a Graduate of the Advanced Management Program from Harvard Business School. He is also a Graduate and Fellow of the Australian Institute of Company Directors, a Senior Fellow of the Financial Services Institute of Australia and a Fellow of the Australian Institute of Management.

2. DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year ended 30 June 2011 and the numbers of meetings attended by each director were as follows:

Director	Directors' Meetings held during period of appointment	Directors' Meetings attended during period of appointment	Audit Commitee meetings held during period of appointment	Audit Committee meetings attended during period of appointment
Peter Diamond	6	5	2	1
Philip Rees	6	6	-	-
Jay Hughes	6	6	2	2
Terry Budge	6	6	2	2

Due to the size of the Board and the nature of the Company's operations, it does not have a separate Remuneration Committee or Nomination Committee. Matters normally considered by these committees are addressed by the full Board.

Board of Directors' and Audit Committee meetings require that any two Directors or members be present to form a quorum.

3. PRINCIPAL ACTIVITY AND NATURE OF OPERATIONS

During the period, the principal activity of the economic entity was as an investment company.

4. OPERATING RESULTS

For the period ended 30 June 2011, the company made an operating profit after tax of $18,133,775 (2010: profit of $23,729,026).

5. DIVIDENDS

An interim dividend of $3,662,044 (3.0 cents per share) was paid on 15 February 2011 (2010: $3,067,766 (2.5 cents per share)).

The Board of Directors has provided for the payment of a further dividend of $9,731,550 (8.0 cents per share) (2010: $9,076,272 (7.5 cents per share)) in the 30 June 2011 financial statements.

6. REVIEW OF OPERATIONS

A Chairman's Report and Investment Managers Summary is included on pages 3 to 6 of this Annual Financial Report. This, together with the sections headed "Significant Changes in State of Affairs" and "Events Subsequent to Balance Date", provide a review of operations of the Company during the period and subsequent to reporting date.

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

A total of 3,133,211 new ordinary shares were issued during the period pursuant to the exercise of options.

2,505,796 ordinary shares were bought back and cancelled during the period.

There have been no other significant changes in the state of affairs of the company.

8. SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There has not been any matter or circumstance that has arisen since the balance date that has affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in subsequent periods.

9. LIKELY DEVELOPMENTS AND FUTURE RESULTS

In the opinion of the Directors it is considered that, apart from general details of likely developments referred to in the Chairman's Report and the Review of Operations, it may prejudice the interests of the company if information in respect of future plans or likely developments in the company's operations are disclosed. Therefore, information otherwise required to be included by Section 299 of the Corporations Act 2001 has been excluded.

10. DIRECTORS' INTERESTS

At the date of this report the interests of the directors in the shares and options of the Company are:

As at 30 June 2011

	Balance 1 July 2010		**Option Exercise**		**Net Change Other**		**Balance 30 June 2011**	
Director	Shares	Options	Shares	Options	Shares	Options	Shares	Options
Peter Diamond Held Directly or indirectly	201,236	50,309	50,309	(50,309)	-	-	251,545	-
Philip Rees Held Directly or indirectly	220,929	55,233	-	-	-	-	220,929	55,233
Jay Hughes Held Directly or indirectly	411,302	102,826	102,826	(102,826)	-	-	514,128	-
Terry Budge Held Directly or indirectly	156,907	39,227	-	-	-	-	156,907	39,227

As at 30 June 2010

	Balance 1 July 2009		**Option Exercise**		**Net Change Other**		**Balance 30 June 2010**	
Director	Shares	Options	Shares	Options	Shares	Options	Shares	Options
Peter Diamond Held Directly or indirectly	201,236	-	-	-	-	50,309	201,236	50,309
Philip Rees Held Directly or indirectly	220,929	-	-	-	-	55,233	220,929	55,233
Jay Hughes Held Directly or indirectly	398,206	-	-	-	13,096	102,826	411,302	102,826
Terry Budge Held Directly or indirectly	156,907	-	-	-	-	39,227	156,907	39,227

11. SHARE OPTIONS

The Company has on issue options with an exercise price of $1.00 and expiry date of 30 June 2012. Option holders do not have any right, by virtue of the option, to participate in any issue of the company.

As at the date of this report, there were 27,473,050 unissued ordinary shares under these options. 3,133,211 shares were issued pursuant to exercise of these options during the year ended 30 June 2011.

12. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Westoz Investment Company Limited has made a deed of indemnity for all the Directors of the Company against all losses or liabilities incurred by each Director in their capacities as Directors of the Company. The company agreed to indemnify and keep indemnified the Director against all liabilities by the Director as a Director of the company to the extent permitted under the Corporations Act 2001.

During the financial year, the Company paid an insurance premium in respect of a contract insuring each of the officers of the Company. The amount of the premium is, under the terms of the insurance contract, confidential. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Company.

13. REMUNERATION REPORT (AUDITED)

The Board of Directors is responsible for determining and reviewing compensation arrangements for the executive team. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The company had no employees during the year ended 30 June 2011 or 30 June 2010. Details of Key Management Personnel are as follows:

Peter Diamond	Chairman (non-executive)	Appointed 11 March 2005
Philip Rees	Executive Director	Appointed 11 March 2005
Jay Hughes	Director (non-executive)	Appointed 11 March 2005
Terry Budge	Director (non-executive)	Appointed 4 April 2005

Westoz Funds Management Pty Ltd is considered to be a Key Management Personnel ("KMP") with the authority for the strategic direction and management of Westoz Investment Company Limited.

Mr Budge is the only Director of the Company paid. His services may be terminated by him at any time and otherwise by shareholder vote. Details of his remuneration for the year ended 30 June 2011 is as follows:

		Short-term Base Fee ($)	**Post-employment Superannuation ($)**	**Total ($)**
T Budge	2011	55,000	-	55,000
	2010	55,000	-	55,000

The elements of emoluments have been determined on the basis of the cost to the Company. Emoluments of Directors are not related to the performance of the Company.

The fees payable to Westoz Funds Management Pty Ltd include management fees of $2,030,196 (2010: $2,011,494) and performance fees of $1,747,625 (2010: $4,658,701) for the period. These fees were charged in accordance with a 10 year management agreement in force until 30 June 2019. The management fee is calculated at 1% per annum of funds managed. The performance fee is payable where performance exceeds 10% over a twelve month period to end of June and is calculated at 20% of the performance exceeding the threshold. The manager is required to give three months written notice to terminate the agreement.

The short term incentive provided by the performance fee is payable once a nominated level of profitability is achieved in a financial year. The level of profitability is ultimately determined by the investment return on funds invested and is reflected in the earnings per share figure. The following table shows the link between short term incentives and shareholder wealth over the last 5 years:

Financial Year Ending June 30	**Diluted EPS (cents)**	**Share price at balance date (cents)**
2007	30.7	Not listed
2008	62.1	Not listed
2009	-51.1	Not listed
2010	18.5	98.5
2011	14.8	105.5

There are no long term incentives payable.

14. CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Westoz Investment Company Limited support and have adopted a corporate governance plan. Details of the Corporate Governance Practices can be found on page 30 to 35.

15. AUDITOR INDEPENDENCE AND NON AUDIT SERVICES

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included on page 12 and forms part of the Westoz Investment Company Limited's report for the year ended 30 June 2011.

Non-audit Services:

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	$
Tax Compliance	13,596

The directors are satisfied the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Signed for and on behalf of the Directors in accordance with a resolution of the Board.

PETER DIAMOND
Non Executive Chairman

Dated: 8 August 2011
Perth, Western Australia

ERNST & YOUNG

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11 Mounts Bay Road
Perth WA 6000 Australia
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Auditor's Independence Declaration to the Directors of Westoz Investment Company Limited

In relation to our audit of the financial report of Westoz Investment Company Limited for the financial year ended 30 June 2011, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Fiona Drummond
Partner
8 August 2011

Financial Report 2011

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 June 2011

	Note	30/06/11 $	30/06/10 $
REVENUE FROM CONTINUING OPERATIONS			
Interest revenue		**1,087,210**	1,007,898
Dividend revenue		**4,275,441**	3,212,675
Other revenue		**12,000**	18,991
Total revenue		**5,374,651**	4,239,564
Changes in the fair value of investments designated at fair value through profit or loss upon initial recognition	4	**23,354,210**	34,803,460
		28,728,861	39,043,024
EXPENSES			
Managers fees	13 (b)	**3,777,821**	6,670,195
Director fees		**55,000**	55,000
Professional fees		**59,138**	52,960
Other expenses	6	**86,390**	80,281
Total expenses		**3,978,349**	6,858,436
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		**24,750,512**	32,184,589
Income tax (credit)/expense	7	**6,616,737**	8,905,563
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		**18,133,775**	23,279,026
Other Comprehensive Income		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**18,133,775**	23,279,026
(Loss)/earnings per share (cents)			
- Basic	15	**15.0**	19.0
- Diluted	15	**14.8**	18.5
Dividend per share (cents)	8	**11.0**	10.0

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Financal Position

AS AT 30 June 2011	Note	30/06/11 $	30/06/10 $
CURRENT ASSETS			
Cash and Cash Equivalents	18 (a)	**13,748,641**	27,341,999
Other Current Assets	9	**234,657**	406,501
TOTAL CURRENT ASSETS		**13,983,298**	27,748,500
NON CURRENT ASSETS			
Investments in financial assets designated at fair value through profit or loss: - Listed Equities	5	**178,776,124**	156,389,405
TOTAL NON CURRENT ASSETS		**178,776,124**	156,389,405
TOTAL ASSETS		**192,759,422**	184,137,905
CURRENT LIABILITIES			
Trade and Other Payables	10	**208,717**	605,432
Income Tax Payable		**5,897,841**	2,819,053
Dividend Payable	8	**9,731,550**	9,076,272
TOTAL CURRENT LIABILITIES		**15,838,078**	12,500,757
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	7	**10,342,506**	10,232,130
TOTAL NON-CURRENT LIABILITIES		**10,342,506**	10,232,130
TOTAL LIABILITIES		**26,180,614**	22,732,887
NET ASSETS		**166,578,808**	161,405,018
EQUITY			
Contributed Equity	11	**130,606,376**	130,152,652
Retained Earnings		**35,972,432**	31,252,366
TOTAL EQUITY		**166,578,808**	161,405,018

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

Cash Flow Statement

FOR THE YEAR ENDED 30 June 2011	Note	30/06/11 $	30/06/10 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		**1,087,210**	1,007,898
Dividends received		**4,275,441**	3,212,675
Payments to suppliers and employees (inclusive of GST)		**(4,191,222)**	(6,570,215)
Income tax paid		**(3,427,574)**	(792,067)
Other		**-**	-
NET CASH FLOWS USED IN OPERATING ACTIVITIES	18	**(2,256,145)**	(3,141,709)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments designated as at fair value through profit or loss		**63,901,674**	63,499,071
Payments for purchases of investments designated as at fair value through profit or loss		**(62,934,182)**	(74,676,830)
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		**967,492**	(11,177,759)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of ordinary shares		**(2,679,485)**	(1,895,013)
Exercise of Options		**3,133,211**	75,039
Share issue Costs		**-**	(180,542)
Dividends paid		**(12,758,431)**	(3,067,766)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		**(12,304,705)**	(5,068,282)
NET INCREASE/(DECREASE) IN CASH HELD		**(13,593,358)**	(19,387,750)
Cash and cash equivalents at the beginning of the period		**27,341,999**	46,729,750
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	18	**13,748,641**	27,341,999

The above cash flow statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

FOR THE YEAR ENDED 30 June 2011	Contributed Equity $	Retained Earnings $	Total Equity $
At 1 July 2010	**130,152,652**	**31,252,366**	**161,405,018**
Profit for the period		18,133,775	18,133,775
Total Comprehensive income/(loss) for the period		18,133,775	18,133,775
Transactions with owners in their capacity as owners:			
Movement in Share Capital	453,724	-	433,725
Issue Costs	-	-	-
Dividend for the Year	-	(13,413,709)	(13,413,709)
At 30 June 2011	130,606,376	35,972,432	166,578,808

	Contributed Equity $	Retained Earnings $	Total Equity $
At 1 July 2009	132,153,168	20,117,378	152,270,546
Profit for the period	-	23,279,026	23,279,026
Total Comprehensive income/(loss) for the period		23,279,026	23,279,026
Transactions with owners in their capacity as owners:			
Movement in Share Capital	(1,819,975)	-	(1,819,975)
Issue Costs	(180,542)	-	(180,542)
Dividend for the Year	-	(12,144,038)	(12,144,038)
At 30 June 2010	130,152,652	31,252,366	161,405,018

The above statement of changes in equity should be read in conjunction with the accompanying notes.

1. CORPORATE INFORMATION

The financial report of Westoz Investment Company Limited for the year ended 30 June 2011 was authorised for issue in accordance with a resolution of the Directors on 8 August 2011.

Westoz Investment Company Limited is a company limited by shares that is incorporated and domiciled in Australia whose shares are listed on the Australian Stock Exchange. The registered office is located at Level 18, 58 Mounts Bay Road Perth, Western Australia 6000.

Westoz Investment Company Limited does not control any entities at 30 June 2011.

The company had no paid employees as at 30 June 2011.

The nature of the operations and principal activities of the Company are as an investment company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report for the year ended 30 June 2011 has been prepared on a historical cost basis except for investments in financial assets which are measured at fair value.

The Company's functional and presentation currency is the Australian dollar ($).

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Company has adopted the following new and amended Australian Accounting Standards and AASB Interpretations as of 1 July 2010:

Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments.

This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of AASB 139. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. The interpretation states that equity instruments issued in a debt for equity swap should be measured at the fair value of the equity instruments issued, if this can be determined reliably. If the fair value of the equity instruments issued is not reliably determinable, the equity instruments should be measured by reference to the fair value of the financial liability extinguished as of the date of extinguishment. This did not result in a change in accounting policy.

Applicable Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2011. The impact of these standards and interpretations has been assessed and to the extent applicable to the Company are discussed below. Standards and Interpretations that are not expected to have a material impact on the Company have not been included.

Reference	Title	Summary	Application date of standard	Impact on Company financial report	Application date for Company
AASB 9	AASB 9 Financial Instruments and related amendment AASB 2009-11	AASB 9 applies to annual reporting periods beginning on or after 1 January 2013 and will therefore apply to the Company from 1 July 2013.	1-Jan-13	The Company does not intend to early adopt AASB 9 as permitted by the standard AASB 9 requires all financial instruments to be measured at fair value unless the criteria for amortised cost are met. The application of the standard is not expected to change the measurement basis of any of the Company's current financial instruments, however, AASB 9 allows the Company to elect to present gains and losses on equity securities through other comprehensive income, which may impact the presentation of these gains and losses. The impact of the standard may also change if the nature of the Company's' activities or investments changes prior to initial application.	1-Jul-13
IFRS 13	IFRS 13	IFRS 13 establishes a single source of guidance under IFRS for determining the fair value of assets and liabilities. IFRS 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value under IFRS when fair value is required or permitted by IFRS. Application of this definition may result in different fair values being determined for the relevant assets. IFRS 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.	1-Jan-13	The Company does not expect the new standard to impact the fair value measurement basis of its assets. The new standard may impact the disclosures for fair value measurement. The company is in the process to determine the extent of the amendments.	1-Jul-13
AASB 124 (Revised)	Related Party Disclosures (December 2009)	The revised AASB 124 simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, including: (a) The definition now identifies a subsidiary and an associate with the same investor as related parties of each other (b) Entities significantly influenced by one person and entities significantly influenced by a close member of the family of that person are no longer related parties of each other (c) The definition now identifies that, whenever a person or entity has both joint control over a second entity and joint control or significant influence over a third party, the second and third entities are related to each other A partial exemption is also provided from the disclosure requirements for government-related entities. Entities that are related by virtue of being controlled by the same government can provide reduced related party disclosures.	1-Jan-11	The company does not expect this amendment to impact the disclosures in the financial report.	1-Jul-11

(c) Investments in financial assets

All investments are initially recognised at fair value.

When financial assets are initially recognised they are recorded at fair value, plus in the case of investments not at fair value through the profit and loss, directly attributable transaction costs. The company determines the classification of its financial assets after initial recognition and when allowed and appropriate, re-evaluates this designation at each financial year end. The classification depends on the purpose for which investments were acquired. Designation is re-evaluated but there are restrictions on reclassifying to other categories.

(i) Financial assets at fair value through profit or loss.

Financial assets in the scope of AASB139 “Financial Instruments; Recognition and Measurement” are classified as financial assets at fair value through profit or loss upon initial recognition. All financial assets designated as fair value through profit or loss are equity investments that are managed through making purchase and sales decisions based on their fair value in accordance with the Company’s investment strategies. The financial information about these financial assets is provided internally on that basis to the Investment Manager and the Board of Directors.

For investments that are actively traded in organised financial markets, fair value is determined by reference to the Stock Exchange quoted market bid prices at the close of business on the statement of financial position date, without any deduction for transaction costs.

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

The judgments include considerations of liquidity and model inputs such as credit risk (both own and counterparty’s), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

Gains and losses on investments at fair value through profit and loss are recognised in the statement of comprehensive income.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Company commits to purchase the asset.

Changes in the fair value of investments – net gains or losses on investments designated as at fair value through profit or loss are calculated as the difference between the fair value at sale and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses but does not include dividend or interest income.

(ii) De-recognition of financial assets

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party lender under a “pass-through” arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has transferred control of the asset.

(d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and short term deposits, including bank bills with a maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents consists of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period’s taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred income tax is recognised on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow all or part of the deferred income tax to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

(f) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(g) Income Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Interest - revenue is recognised as interest accrues using the effective interest rate method which is the rate that exactly discounts estimated future cash flows through the expected life of the financial investment to the net carrying value of the financial asset.

Dividend– revenue is recognised when the Company’s right to receive the payment is established. This is taken to be the date the share is quoted ex-dividend.

(h) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid on future goods and services received, whether or not billed to the entity. They represents liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company is obliged to make future payments in respect of the purchase of these goods and services.

Payables include outstanding settlements on the purchase of investments and dividends payable. The carrying period is dictated by market conditions and generally less than 30 days.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(i) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the company and is classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(j) Earnings Per Share

Basic earnings per share (EPS) is calculated as net profit attributed to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the period adjusted for any bonus element. Diluted earnings per share is calculated as net profit attributable to ordinary equity holders, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(k) Trade and other receivables

Receivables are recognised and carried at original amount less any allowance for uncollectible debts. An estimate of doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified. Amounts are normally received within 30 days of being recorded as receivable.

(l) Dividends

Provision is made for the amount of any dividend declared by the directors on or before the end of the financial year, but not distributed at balance date.

(m) Performance Fees

Performance fees are calculated in accordance with contractual arrangements and are payable in the year in which the returns are generated.

(n) Due to and from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Refer to the accounting policy for ‘trade and other payables’ for recognition and measurement of these amounts.

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Refer to accounting policy for ‘trade and other receivables’ for recognition and measurement of these amounts.

(o) Significant Accounting Judgements, Estimates and Assumptions

There are no significant accounting judgments, estimates and assumptions during the financial year other than those described in Note 5.

3. SEGMENT INFORMATION

For management purposes, the Company is organised into one main business segment, which invests in equity securities on the Australian Stock Exchange. All of the Company’s activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole. The company operated in one geographical segment being Australia.

4. CHANGES IN FAIR VALUE OF INVESTMENTS

	30/06/11 $	**30/06/10 $**
Net realised gain– listed equities	**21,304,532**	19,429,837
Net unrealised gain– listed equities	**2,049,678**	15,373,623
	23,354,210	34,803,460

The total number of contract notes that were issued for transactions during the financial year was 284 (2010: 454). The total brokerage paid on these contract notes was $435,538 (2010: $499,895).

5. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table shows financial instruments recorded at fair value, analysed between those whose fair value is based on quoted market prices, those involving valuation techniques where model inputs are observable in the market and those where the valuation technique involves the use of non-market observable inputs.

	30 June 2011			
	Valued at Quoted market price (Level 1)	**Valuation Technique market observable inputs (Level 2)**	**Valuation technique non – market observable inputs (Level 3)**	**Total**
Financial assets at fair value through profit or loss				
(i) Listed equities	178,776,124		-	178,776,124
	178,776,124		-	178,776,124

	30 June 2010			
	Valued at Quoted market price (Level 1)	**Valuation Technique market observable inputs (Level 2)**	**Valuation technique non – market observable inputs (Level 3)**	**Total**
Financial assets at fair value through profit or loss				
(i) Listed equities	152,129,374	-	4,260,031	156,389,405
	152,129,374	-	4,260,031	156,389,405

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

The fair value of listed equity is based on quoted market prices at the reporting date (bid price for long positions), without any deduction for transaction costs.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

For instruments for which there is currently no active market the Company uses a valuation model which is accepted in the industry. Some of the inputs to that model may not be market observable and are therefore estimated based on assumptions.

The following table shows a reconciliation of the movement in the fair value of financial instruments categorised within Level 3 between the beginning and the end of the reporting period.

30 June 2011	Financial assets	
	Unquoted equity securities	**Total**
Opening balance	4,260,031	4,260,031
Transfers into or out of level 3	(4,260,031)	(4,260,031)
Closing balance	-	-

30 June 2010	Financial assets	
	Unquoted equity securities	**Total**
Opening balance	-	-
Transfers into or out of level 3	4,260,031	4,260,031
Closing balance	4,260,031	4,260,031

On 11 June 2010, the securities of Indophil Resources NL were placed in a trading halt. On 16 June 2010 and 23 June 2010 the ASX granted further requests by the Company for its securities to be suspended, with the later request being for an extension of the suspension to 14 July 2010. Subsequent to these requests, it was announced on 25 June 2010 that a takeover offer for the Company would not proceed.

Hence, no Quoted Market Price is available at 30 June 2010 and a valuation using non-market observable inputs was required.

During the year, the securities of Indophil Resources NL resumed regular trading, and was transferred from Level 3 to Level 1.

6. OTHER EXPENSES

	30/06/11 $	30/06/10 $
Expenses		
Annual report costs	**3,665**	(1,344)
Share registry	**24,675**	26,764
ASX Fees	**44,173**	33,403
Other	**13,877**	21,458
	86,390	80,281

7. INCOME TAX

	30/06/11 $	30/06/10 $
The major components of income tax expense are:		
Statement of comprehensive income		
Current Income Tax		
Current income tax charge (benefit)	**6,001,848**	4,293,476
Deferred income tax		
Relating to origination and reversal of temporary differences	**614,889**	4,612,087
Income tax expense reported in statement of comprehensive income	**6,616,737**	8,905,563

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the company's applicable tax rate is as follows:

	30/06/11 $	30/06/10 $
Accounting profit before tax	**24,750,512**	32,184,589
Tax at the statutory income tax rate of 30% (2009: 30%)	**7,425,153**	9,655,377
Tax effect of amounts which are not deductible(taxable) in calculating taxable income	**(808,416)**	(749,843)
Income tax expense	**6,616,737**	8,905,563

Deferred Income tax
Deferred income tax at 30 June relates to the following:

	Statement of financial position		Statement of comprehensive income	
	2011 $	2010 $	2011 $	2010 $
Deferred Tax Assets				
Tax losses	-	-	-	-
	-	-	-	-
Deferred Tax Liabilities				
Unrealised gain on investments in financial assets	**(10,342,506)**	(10,232,130)	**614,889**	4,612,087
	(10,342,506)	(10,232,130)	**614,889**	4,612,087
	(10,342,506)	(10,232,130)	**614,889**	4,612,087

8. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	30/06/11	30/06/10
	$	$
Ordinary Shares		
A Final dividend of 8.0 cents per share fully paid ordinary share has been declared and provided for at 30 June 2011 (2010 – 7.5 cents)	**9,731,550**	9,076,272
Fully franked based on tax paid or payable at 30%		
An interim dividend of 3.0 cents per share fully paid ordinary share has been declared and paid for on 15 February 2011 (2010 – 2.5 cents)	**3,662,044**	3,067,766
Fully franked based on tax paid or payable at 30%		
Total dividends paid or declared	**13,393,594**	12,144,038

Franking Credit Balance		
Franking credits available at the end of the financial year at 30% 30% (2010 – 30%)	**3,635,481**	4,257,051
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	**5,897,841**	2,819,053
Franking debits that will arise by the payment of dividends as at the end of the financial year	**(4,170,664)**	(3,889,831)
	5,362,658	3,186,274

9. OTHER CURRENT ASSETS

	30/06/11	30/06/10
	$	$
Outstanding sale settlements	**-**	-
GST Receivable	**234,657**	406,501
	234,657	406,501

Note (a):GST Receivable is non-interest bearing and is generally claimed from the Australian Tax Office on a quarterly basis.

10. TRADE AND OTHER PAYABLES (CURRENT)

	30/06/11	30/06/10
	$	$
Trade Payables	**208,717**	198,300
Outstanding purchase settlements	**-**	407,132
	208,717	605,432

Total payables are non-interest bearing and normally settled on 30 day terms.

11. CONTRIBUTED EQUITY

(a) Contributed equity	30/06/11	30/06/10
	$	$
121,644,375 fully paid ordinary shares (2010: 121,016,960 fully paid ordinary shares)	**130,606,376**	130,152,652

(b) Movements in ordinary shares on Issue	Number of Shares	30/06/11 $	Number of Shares	30/06/10 $
Beginning of the financial period	**121,016,960**	**130,152,652**	122,724,384	132,153,168
Issued during the period				
- Share buyback	**(2,505,796)**	**(2,679,487)**	(1,782,463)	(1,895,013)
- Option exercise	**3,133,211**	**3,133,211**	75,039	75,039
Less issue costs	**-**	**-**	-	(180,542)
	121,644,375	**130,606,376**	121,016,960	130,152,652

(c) Terms and conditions of contributed equity

The Company does not have authorised capital nor par value in respect of its issued capital.

Ordinary fully paid shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary fully paid shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) Options

At balance date there were 27,473,050 options outstanding. The options have an exercise price of $1.00 per share and expire on 30 June 2012.

(e) Capital Management

The capital management and investment objective is to produce a positive return on funds, regardless of the general direction of the listed share market that is consistent with acceptable risk parameters. The Company has delegated the capital management and investment to its investment manager, Westoz Funds Management Pty Ltd. Details of the Company's financial risk management policies and objectives are included in note 19.

Where available, the Company intends to pay out a minimum of 50% of realised after tax profits by way of dividends to investors.

The company's total capital at 30 June 2011 was $166,578,808 (2010: $161,405,018) comprising equity share capital and retained earnings. The Company was ungeared at year end.

12. AUDITORS' REMUNERATION

	30/06/11 $	30/06/10 $
Total of all remuneration received or due and receivable by Ernst & Young in connection with:		
- an audit or review of a financial report of the company	**45,000**	43,000
- services in relation to tax compliance for the company	**13,596**	7,271
	58,596	50,271

13. KEY MANAGEMENT PERSONNEL

(a) Remuneration of Directors and Executives

The Board of Directors is responsible for determining and reviewing compensation arrangements for the executive team. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Mr Budge is the only paid Director of the Company. The total remuneration payable for the financial period is $55,000 (2010: $55,000).

(b) Transactions with Directors or Director Related Entities

The Directors of Westoz Investment Company Limited during the period were Mr Peter Diamond, Mr Philip Rees, Mr Jay Hughes and Mr Terry Budge.

Westoz Investment Management Pty Ltd, a company of which Messrs Diamond, Rees and Hughes are Directors is considered to be a Key Management Personnel ("KMP") with the authority for the strategic direction and management of Westoz Investment Company Limited. Westoz Funds Management Pty Ltd received management fees from the company for the management of its assets. A fee (inclusive of a performance fee for 2011) of $3,777,821 (2010: $6,670,195) was charged in the period for these services. There is $177,980 outstanding as at 30 June 2011 (2010: $168,300).

These fees were charged in accordance with a management agreement. Management fee is calculated at 1% per annum of funds managed. Performance fee is payable where performance exceeds 10% over a twelve month period to end of June and is calculated at 20% of the performance exceeding the threshold.

No amount is paid by Westoz Investment Company Limited directly to the Directors of Westoz Funds Management Pty Ltd.

Euroz Securities Limited, a company of which Messrs Diamond and Hughes are directors received brokerage fees for transactions undertaken by the company in respect of its investments. An amount of $387,922 was paid in the period (2010: $470,051) as brokerage to Euroz Securities Limited. There is no balance outstanding as at 30 June 2011 (2010: nil).

The above transactions were entered into on normal commercial terms.

(c) Total remuneration Paid to Key Management Personel

The total amount paid to Key Management Personnel or related entities in the period to 30 June 2011 as outlined above was $4,220,743 (2010: $7,195,246). These are short term benefits.

(d) Shareholdings of Key Management Personnel

As at 30 June 2011

	Balance 1 July 2010		**Option Exercise**		**Net Change Other**		**Balance 30 June 2011**	
Director	Shares	Options	Shares	Options	Shares	Options	Shares	Options
Peter Diamond Held Directly or indirectly	201,236	50,309	50,309	(50,309)	-	-	251,545	-
Philip Rees Held Directly or indirectly	220,929	55,233	-	-	-	-	220,929	55,233
Jay Hughes Held Directly or indirectly	411,302	102,826	102,826	(102,826)	-	-	514,128	-
Terry Budge Held Directly or indirectly	156,907	39,227	-	-	-	-	156,907	39,227
Westoz Funds Mgt Pty Ltd Held Directly or indirectly	-	-	-	-	-	-	-	-

As at 30 June 2010

	Balance 1 July 2009		**Option Exercise**		**Net Change Other**		**Balance 30 June 2010**	
Director	Shares	Options	Shares	Options	Shares	Options	Shares	Options
Peter Diamond Held Directly or indirectly	201,236	-	-	-	-	50,309	201,236	50,309
Philip Rees Held Directly or indirectly	220,929	-	-	-	-	55,233	220,929	55,233
Jay Hughes Held Directly or indirectly	398,206	-	-	-	13,096	102,826	411,302	102,826
Terry Budge Held Directly or indirectly	156,907	-	-	-	-	39,227	156,907	39,227
Westoz Funds Mgt Pty Ltd Held Directly or indirectly	-	-	-	-	-	-	-	-

14. RELATED PARTY DISCLOSURES

(a) Ultimate Parent

Westoz Investment Company Limited is the ultimate Australian parent company.

(b) Other related Party Transactions

There are no other related party transactions other than those discussed in Note 13.

15. EARNINGS PER SHARE

Basic earnings/(loss) per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	30/06/11 $	30/06/10 $
Net profit/(loss) attributable to ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share	**18,133,775**	23,279,026
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	**120,908,470**	122,477,210
Effect of dilution: Share options	**1,671,401**	3,605,715
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share	**122,579,871**	126,082,925
Basic earnings/(loss) per share (cents)	**15.0**	19.0
Diluted earnings/(loss) per share (cents)	**14.8**	18.5

At 30 June 2011 there are no instruments (e.g., share options) excluded from the calculation of diluted earnings per share that could potentially dilute basic earnings per share in the future because they are antidilutive for either of the periods presented.

There have been no transactions involving ordinary shares or potential ordinary shares that would significantly change the number of ordinary shares or potential ordinary shares outstanding between the reporting date and the date of completion of these financial statements.

16. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or events have occurred subsequent to 30 June 2011 which have significantly affected or may significantly affect the operations of the Company, the results of its operations or the state of affairs of the Company in subsequent financial periods.

17. CONTINGENT LIABILITIES

The Company has no contingent liabilities.

18. NOTES TO THE STATEMENTS OF CASH FLOW

(a) Reconciliation of Cash

For the purpose of the annual report, cash and cash equivalents are composed of the following:

	30/06/11 $	30/06/10 $
Cash at Bank and in hand	**13,748,641**	27,341,999
	13,748,641	27,341,999

Cash at bank and in hand earns interest at floating rates based on daily deposit rates.

Bank Bills are for varying periods depending on the immediate cash requirements of the company and earn interest at the respective bank bill rates.

The fair value of cash and cash equivalents is $13,748,641 (2010: $27,341,999). Of the total cash and cash equivalents held at 30 June 2011, $13,619,360 was held in the investment portfolio.

(b) Reconciliation from the Net Profit after Income Tax to Net Cash flows Generated from Operating Activities

	30/06/11 $	30/06/10 $
Net profit / (loss) after tax	**18,133,775**	23,279,026
Adjustment for Non-Cash Items:		
Items classified as Investing		
Unrealised (profit)/loss on shares	**(2,049,678)**	(15,373,623)
Realised (profit)/loss on shares	**(21,304,532)**	(19,429,837)
Changes in Assets and Liabilities:		
Increase/(Decrease) in trade and other payables	**(396,715)**	(96,143)
(Increase)/Decrease in other assets	**171,841**	365,732
Increase/(Decrease) in tax payable	**3,078,788**	2,330,155
Increase/(Decrease) in deferred tax liabilities	**110,376**	5,783,340
Net Cash used in Operating Activities	**(2,256,145)**	(3,141,709)

(c) Financing Facilities Available

At balance date, no financing facilities had been negotiated and none were available.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risks arising from holding financial instruments are inherent in the Company's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Company is exposed to credit risk, liquidity risk and market risk.

The Company's principal financial instruments comprise listed equities, cash and short term deposits. The Company has other financial instruments such as trade creditors which arise directly from its operations. The Company may also transact in other financial instruments, including derivatives, to achieve its target rate of return on assets. No derivatives are held at 30 June 2011.

The Investment Manager is responsible for identifying and controlling the risks that arise from these financial instruments. The Company has an established investment policy in place. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment policy, is monitored by the Investment Manager.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled by the Company investing in financial instruments, which in normal market conditions, are readily convertible into cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

As at 30 June 2011 the company's current liabilities exceeded its current assets by $1,854,810. As described above the company's investments in listed shares are available to sold and the proceeds used to fund the company's obligation and its current deficit as at 30 June 2011.

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade, other payables and distribution payable, which contractually mature within 60 days.

Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The company's maximum credit exposure is the carrying amounts on the statement of financial position. The Company holds financial instruments with credit worthy third parties.

At 30 June 2011, the Company held listed equities and cash. Cash deposits were held on an at call basis with an institution covered under the Banking Act 1959 with a rating from Standard & Poors of AA (long term) and A+ (short term). The Company has no past due or impaired debtors as at 30 June 2011.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. The Company has delegated the management of these risks to an external party who has expertise in the management of such risk.

The following risk control features are in place:

- No one stock will represent more than 20% of the total portfolio value at the time of acquisition;
- The portfolio consists of between 10 and 25 securities, although more or less may be held depending on the number of securities identified that are expected to meet the performance expectations;
- Where suitable stocks cannot be identified, the portfolio may invest in cash. Whilst unlikely over the medium term, the portfolio may consist from time to time of significant cash deposits;
- Any short positions will not represent more than 20% of the total portfolio value; and
- Leverage may be employed in the Portfolio, but total exposure will not exceed 120% of the portfolio value.

Any breach of these risk control measures will be reported to the Company by the Manager and the Company will determine the appropriate action to remedy the breach.

The equity portfolio position as at 30 June 2011 is as follows:

Industrials			Resources		
Company	No. of Shares	Fair value at 30 June 2011 ($)	Company	No. of Shares	Fair value at 30 June 2011 ($)
Automotive Holdings Group Ltd	11,950,000	26,648,500	Anvil Mining Limited	240,000	1,416,000
Clough Limited	35,740,000	25,375,400	Aquarius Platinum Limited	1,700,000	7,956,000
iiNet Limited	10,091,818	26,238,727	Aurora Oil & Gas Limited	3,000,000	10,470,000
Neptune Marine Services Limited	29,359,251	1,145,011	Beach Energy Limited	14,612,210	13,370,172
			Indophil Resources NL	16,200,000	5,994,000
			Northern Iron Limited	10,752,869	18,978,814
			OM Holdings Limited	14,400,000	13,248,000
			Regis Resources Limited	8,625,000	21,390,000
			Teranga Gold Corporation	2,650,000	6,545,500
Total Industrials		**79,407,638**	**Total Resources**		**99,368,486**
Cash					13,619,360
TOTAL					**192,395,484**

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and short term deposits. The total cash balance at 30 June 2011 was $13,748,641 (2010: $27,341,999). The Company manages interest rate risk by ensuring that cash balances are always deposited in interest-bearing accounts that provide competitive interest rates.

As at 30 June 2011, cash deposits were held at call.

The following table demonstrates the sensitivity of the Company's statement of comprehensive income to a reasonably possible change in interest rates, with all other variables constant. The change in basis points is derived from a review of historical movements and management's judgement on future trends. The analysis is performed on the same basis for 2010.

Change in Basis Points		2011 Effect on Post Tax Profit ($)		2011 Effect on Equity including retained earnings ($)	
Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
50	50	48,118	(48,118)	48,118	(48,118)

Change in Basis Points		2010 Effect on Post Tax Profit ($)		2010 Effect on Equity including retained earnings ($)	
Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
50	50	94,795	(94,795)	94,795	(94,795)

Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in et market. Equity price risk arises from the Company's investment portfolio.

The effect on the statement of comprehensive income due to a reasonably possible change in market factors, as represented by the equity indices, with all other factors held constant and assuming the Company's equity portfolio moves in direct concert with the equity indices, is indicated in the table below. The change in index level is derived from a review of historical movements. The analysis is performed on the same basis for 2010.

Index	Change in Index	2011 Effect post tax profit ($)	2011 Effect on Equity including retained earnings ($)
ASX Small Ordinaries Index	Increase 10%/(Decrease 10%)	12,516,000/(12,516,000)	12,516,000/ (12,516,000)

Index	Change in Index	2010 Effect post tax profit ($)	2010 Effect on Equity including retained earnings ($)
ASX Small Ordinaries Index	Down 10%	(10,497,258)	(10,947,258)

Directors' Declaration

In accordance with a resolution of the directors of Westoz Investment Company Limited, the directors declare that:

1. In the opinion of the directors:

(a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

(ii) ccomplying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001;

(b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b); 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.

(d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ending 30 June 2011.

On behalf of the Board,

Peter Diamond
Non Executive Chairman

Dated: 8 August 2011

ERNST & YOUNG

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Independent auditor's report to the members of Westoz Investment Company Limited

Report on the financial report

We have audited the accompanying financial report of Westoz Investment Company Limited, which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and cash flow statement 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 that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

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 about 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 controls relevant to the entity's preparation of the financial report that gives a true and fair view 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 controls. 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*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the directors' report.

Opinion

In our opinion:

a. the financial report of Westoz Investment Company Limited is in accordance with the *Corporations Act 2001*, including:

   i giving a true and fair view of the company's financial position as at 30 June 2011 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in paragraph 13 of the directors' report for the year ended 30 June 2011. The directors of the company 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.

Opinion

In our opinion, the Remuneration Report of Westoz Investment Company Limited for the year ended 30 June 2011 complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Ernst & Young

F Drummond
Partner
Perth
8 August 2011

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under Professional Standards Legislation

FOR THE YEAR ENDED 30 June 2011

Westoz Investment Company Limited (the "**Company**") is committed to maintaining a high standard of corporate governance. In this regard, the Company has adopted the ASX Corporate Governance Council's revised Corporate Governance Principles and Recommendations ("**Revised Principles and Recommendations**"). The Company is pleased to advise that its practices are largely consistent with those of the ASX guidelines. Departures from the guidelines are discussed in the relevant section.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company does not consider that the practices are appropriate for the Company due to the size and the nature of its operations.

The following table cross-references each recommendation of the ASX guidelines with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website.

Recommendation	**Section**
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Performance Evaluation	1.2
Recommendation 1.3 Reporting on Principle 1	1.1 and 1.2
Recommendation 2.1 Independent Directors	2.1
Recommendation 2.2 Independent Chairman	2.2
Recommendation 2.3 Chairman and CEO seperate	2.3
Recommendation 2.4 Establishment of Nomination Committee	2.4
Recommendation 2.5 Basis of Performance Evaluation	2.5
Recommendation 2.6 Reporting on Principle 2	2.1 to 2.5
Recommendation 3.1 Directors' and Key Executives' Code of Conduct	3.1
Recommendation 3.2 Diversity Policy	3.2
Recommendation 3.3 Diversity objectives and progress to achievement	3.3
Recommendation 3.4 Proportion of Women	3.4
Recommendation 3.5 Reporting on Principle 3	3.1 to 3.4
Recommendation 4.1 Establishment of Audit Committee	4.1
Recommendation 4.2 Structure of Audit Committee	4.2
Recommendation 4.3 Audit Committee Charter	4.3
Recommendation 4.4 Reporting on Principle 4	4.1 to 4.3
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	5.1
Recommendation 5.2 Reporting on Principle 5	5.1
Recommendation 6.1 Communications Strategy	6.1
Recommendation 6.2 Reporting on Principle 6	6.1
Recommendation 7.1 Policies on Risk Oversight and Management	7.1
Recommendation 7.2 Attestations by Management	7.2
Recommendation 7.3 Attestations by CEO or CFO	7.3
Recommendation 7.4 Reporting on Principle 7	7.1 to 7.3
Recommendation 8.1 Establishment of Remuneration Committee	8.1
Recommendation 8.2 Executive and Non-Executive Director Remuneration	8.2
Recommendation 8.3 Reporting on Principle 8	8.1 and 8.2

1. Management and Oversight

1.1 Functions of the Board and Management

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors and key Executive Officers in the performance of their roles.

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following:

- Leadership of the Organisation: overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.
- Strategy Formulation: working with management to set and review the overall investment strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- Overseeing Planning Activities: overseeing the development of the Company's strategic plan and approving that plan as well as budgets.
- Shareholder Liaison: ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- Monitoring, Compliance and Risk Management: overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- Company Finances: approving expenses in excess of those approved in the annual budget and approving and monitoring financial, investment and other reporting.
- Human Resources: appointing, and, where appropriate, removing the Executive Officers as well as reviewing the performance of Executive Officers and monitoring their implementation of the Company's strategy.
- Ensuring the Health, Safety and Well-Being of Employees: in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- Delegation of Authority: delegating appropriate powers to Executive Officers to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available on the Company's website.

The Directors due to their extensive relevant business experience and the fact that their interests are closely aligned to shareholders' interests clearly understand what is required of them. Accordingly, the Company has formed the view that letters of appointment are not required with respect to the Directors.

1.2 Performance Evaluation

The performance of senior executives is reviewed by the Board on an annual basis and also pursuant to the Board's involvement in the day to day operations of the Company. The performance of Executive Officers is assessed against 3 broad criteria:

- the financial performance of the Company;
- the extent to which the Executive Officer has contributed to the Company achieving its organisational aims with a particular focus on the maintenance of the commercial reputation of the Company; and
- the extent to which the Executive Officer has personally acted in a manner which is in accordance with the Company's compliance related policies and procedures.

Similarly in the context of the matters referred to above, with respect to Executive Officers, The Company has formed the view that written position statements are not required.

2. Board Structure

2.1: Independent Directors.

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge it responsibilities and duties. The names of the Directors and their qualifications and experience are stated in the Directors Report along with the term of office held by each of the Directors. Directors are appointed based on the specific governance skills required by the Company and on the quality of their decision-making and judgment.

The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. At the year end there were three Non-Executive Directors in the company, one of which was an Independent Director. An Independent Director must meet the following criteria for independence adopted by the Company:

- is a Non-Executive Director and:
- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;

- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Company does not have a majority of Independent Directors. The Company believes that due to the nature of its operations and size, the current structure is appropriate.

2.2: The Chair should be an Independent Director.

The Chairman is not an Independent Director. The Company believes that due to the nature of its operations and size, the current structure is appropriate.

2.3: The roles of Chair and Chief Executive Officer should not be exercised by the same individual

The Company meets this recommendation.

2.4: The Board should establish a nomination committee

Given its relatively small size and stable structure, the Company has formed the view that a nomination committee is not necessary for the Company to achieve an effective system of corporate governance and the duties normally associated with this committee are carried out by the Board.

2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors

A review of the performance of the Board and its directors is undertaken by each Director with respect to each other Director and the performance of the Board itself on an annual basis and also as part of the regular monitoring of the operations of the Company.

The performance of the Board, its Committee's and Directors is assessed against 3 broad criteria:

- the overall financial performance of the Company;
- the extent to which the party has contributed to the Company achieving its organisational aims; and
- the extent to which the party has personally acted in a manner which is in accordance with the Company's policies and procedures.

The Directors have extensive experience with respect to all aspects of the operations of the Company. In this regard, the section "Information on Directors" in the Directors Report outlines the experience and qualifications of the Directors. The Directors, pursuant to obligations imposed by the Corporations Act and the ASX Operating Rules and generally, undertake a substantial level of continuing education.

As per the process stated in this section, both Annual and Periodic performance evaluations of the Board and its Directors have been conducted during the reporting period.

3 Ethical and Responsible Decision Making

3.1. Company Code of Conduct

As part of its commitment to recognizing the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. The Company Code of Conduct was adopted by resolution of the Board. This Code includes the following.

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.

Employment Practices

The Company endeavors to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

Obligations Relative to Fair Trading and Dealing

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers, competitors and other employees and encourages it employees to strive to do the same.

Responsibility to the Individual

The Company is committed to keeping private information from employees and investors confidential and protected from uses other than those for which it was provided.

Conflicts of Interest

Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

3.2 Diversity Policy

The Company has a Diversity Policy in place. A full copy is available on the Company's website. A summary of the policy is as follows:

- Westoz believes that having a diverse workforce has important commercial and operational benefits. An equally important benefit of diversity is that it assists Westoz in its ongoing efforts to make a positive contribution to the Australian community
- Westoz is committed to treating all of its staff equally irrespective of their gender, race, age, ethnicity, sexual orientation, disability or any other irrelevant difference; having in place a corporate culture where all staff feel equally welcome and valued irrespective of their gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference; and not discriminating in the employment of staff (including the appointment of directors) based upon a potential candidate's gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference.
- Westoz is committed to ensuring that any future Board appointments are made without discriminating against a potential candidate on the basis of their gender, race, age, ethnicity, sexual orientation or disability or any other irrelevant difference

3.3 Diversity Objectives and Progress Towards Achievement

Westoz has no other employees apart from Directors. In these circumstances, Westoz has formed the view that, at this time, it is not appropriate or practical to establish measurable objectives for achieving gender diversity and to formally assess progress towars achieving gender diversity.

3.4 Proportion of Women

The company currently has no women in the organization as employees or directors.

4. Financial Reporting

4.1 Audit Committee

The Audit Committee was formed by resolution of the Board.

4.2 Structure

The Audit Committee consists of three members. Members are appointed by the Board from amongst the Non-Executive Directors if possible. The current members of the Audit Committee are Mr Budge, Mr Diamond and Mr Hughes. All members can read and understand financial statements and are otherwise financially literate. Mr. Budge is the Chairman with experience in financial and accounting matters. The details of the member's qualifications may be found in the Directors Report.

The Audit Committee does not contain a majority of Independent Directors. The Company believes that due to the nature of its operations and size, the current structure is appropriate.

The Audit Committee held 2 meetings throughout the year.

4.3 Charter

The Audit Committee has a formal charter.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

The Audit Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements before submission to the Board and recommends their approval.

The Audit Committee also recommends to the Board the appointment of the external auditor and the internal auditor and, each year, reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal.

The Audit Committee is also responsible for establishing policies on risk oversight and management.

5 Disclosure

5.1 Policy

The Board of the Company has in place a policy for disclosure of information, which includes a requirement that shareholders are fully informed to the extent required by any applicable disclosure rules and legislation on matters that may influence the price at which shares change hands in the Company.

The Company Secretary has been appointed as the person responsible for communications with the Australian Securities Exchange. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and overseeing and co ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

6 Shareholder Communication

6.1 Communication Strategy

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through the ASX announcements platform, its website, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number for shareholders to make enquiries of the Company.

7 Risk

7.1 Policies

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Board has delegated to the Audit Committee responsibility for implementing the risk management system.

The Audit Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.
- Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, practises are in place that are directed towards achieving the following objectives:

- compliance with applicable laws and regulations.
- preparation of reliable published financial information.
- implementation of risk transfer strategies where appropriate e.g. insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back as required to the Audit Committee.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

The relevant policies and procedures are available on the Company's website.

7.2: Attestation by Management.

The Board believes that due to the nature and size of the Company's operations, a dedicated internal audit function is not appropriate and these duties can be carried out by the Company Secretary. The Company Secretary will at least annually attest to the effectiveness of the Company's management of its material business risks and will provide assurance that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operation effectively in all material aspects in relation to financial reporting risks.

The Company believes that due to the nature of its operations and size , it is not necessary for the Board to convene a separate risk management committee and the duties normally undertaken by such a committee are undertaken by the Audit Committee.

7.3: Attestation by Executive

The Board confirms that it has received the reports as stated in section 7.2 above in respect of the most recently completed financial year.

8 Remuneration Committee

As the whole Board only consists of four members which includes one Executive Officer, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

8.1 Executive Officer Remuneration Policy

The Company is committed to remunerating its Executive Officers, where required, in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Executive Officer Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in an option scheme with thresholds approved by shareholders;
- statutory superannuation

As the current Executive Officer is remunerated by the Company's investment manager, it has been determined that no amount be paid by the Company for his services.

8.2 Non Executive Officer Remuneration Policy

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company. No retirement benefits are required to be paid by the Company to Non executive Directors.

At the present time, Mr Budge is the only Non-Executive Director being remunerated.

ORDINARY SHARES AT 25 JULY 2011

(A) Distribution of Shareholders

Analysis of number of shareholders by size and holding:

	Ordinary Shares		Options	
	Holders	**Units**	**Holders**	**Units**
Issued Capital				
Distribution of Holdings				
1-5,000	131	419,062	85	301,900
5,001-10,000	97	1,090,106	216	1,583,690
10,001-100,000	590	22,956,742	303	8,678,628
100,001 and over	153	97,178,465	36	16,908,832
TOTAL Holders	**971**	**121,644,375**	**640**	**27,473,050**

(B) Top Twenty Shareholders

The twenty largest holders of ordinary fully paid shares are listed below:

No.	Shareholder	Units	%
1	ZERO NOMINEES PTY LTD	38,332,051	31.5%
2	ICE COLD INVESTMENTS PTY LTD	4,069,757	3.3%
3	ICE COLD INVESTMENTS PTY LTD	3,702,777	3.0%
4	YANDAL INVESTMENTS PTY LTD	2,500,000	2.1%
5	HEYS FAMILY HOLDINGS PTY LTD	2,349,051	1.9%
7	UBS NOMINEES PTY LTD	2,000,000	1.4%
6	JP MORGAN NOMINEES AUSTRALIA	1,688,071	1.6%
8	MCLAREN INVESTMENTS LIMITED	1,619,027	1.3%
9	ROLLASON PTY LTD	1,619,027	1.3%
10	CYBERTOP PTY LTD	1,452,833	1.2%
11	ICE COLD INVESTMENTS PTY LTD	1,017,440	0.8%
12	AUSTRALIAN EXECUTOR TRUSTEES	1,000,600	0.8%
13	PALAZZO NOMINEES PTY LTD	1,000,000	0.8%
14	SUPERLAND INVESTMENTS PTY LTD	930,942	0.8%
15	CADEX PETROLEUM PTY LIMITED	885,482	0.7%
16	CLOUGH SUPERANNUATION PTY LTD	838,300	0.7%
17	RBC DEXIA INVESTOR SERVICES	757,462	0.6%
18	THE FOGARTY FOUNDATION	700,000	0.6%
19	UBS WEALTH MANAGEMENT	682,250	0.6%
20	G J P INVESTMENTS PTY LTD	663,966	0.5%
	Total	**67,809,036**	**55.7%**
	Remainder	**53,835,339**	**44.3%**
	Grand Total	**121,644,375**	**100.0%**

The twenty largest holders of options are listed below:

No.	Shareholder	Units	%
1	ZERO NOMINEES PTY LTD	7,303,380	26.6%
2	WYLLIE GROUP PTY LTD	1,620,067	5.9%
3	YANDAL INVESTMENTS PTY LTD	875,000	3.2%
4	HEYS FAMILY HOLDINGS PTY LTD	587,263	2.1%
5	UBS NOMINEES PTY LTD	500,000	1.8%
7	MCLAREN INVESTMENTS LIMITED	404,757	1.5%
6	ROLLASON PTY LTD	404,757	1.5%
8	CYBERTOP PTY LTD	363,209	1.3%
9	UBS WEALTH MANAGEMENT	289,836	1.1%
10	EGARD HOLDINGS PTY LTD	260,715	0.9%
11	PALAZZO NOMINEES PTY LTD	242,856	0.9%
12	WESTRADE RESOURCES PTY LTD	239,136	0.9%
13	JOWENE PTY LTD	239,078	0.9%
14	SUPERLAND INVESTMENTS PTY LTD	232,736	0.8%
15	MR CHRISTOPHER CHARLES EVANS	222,103	0.8%
16	AUSTRALIAN EXECUTOR TRUSTEES	218,800	0.8%
17	CADEX PETROLEUM PTY LIMITED	213,371	0.8%
18	CLOUGH SUPERANNUATION PTY LTD	209,575	0.8%
19	RBC DEXIA INVESTOR SERVICES	186,867	0.7%
20	JP MORGAN NOMINEES AUSTRALIA	181,300	0.7%
	Total	**14,794,806**	**53.9%**
	Remainder	**12,678,244**	**46.1%**
	Grand Total	**27,473,050**	**100.0%**

(C) Shareholders with greater than 5%

As at 25 July 2011, the company had two shareholders with greater than 5% of the issued ordinary share capital:

Shareholder	Units	%
Euroz Limited	24,816,113	20.5
Geoffrey Francis Brown	7,772,534	6.4

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