



2010 **OZGROWTH LIMITED** ANNUAL REPORT

Contents	Page
Corporate Directory	1
Chairman's Report and Period in Review	2
Manager's Report	4
Directors' Report	6
Auditor's Independence Declaration	10
Statement of Comprehensive Income	11
Statement of Financial Position	12
Cash Flow Statement	13
Statement of Changes in Equity	14
Notes to and Forming Part of the Financial Statements	15
Directors' Declaration	29
Independent Audit Report	30
Statement of Corporate Governance	32
Shareholder Information	40

CORPORATE DIRECTORY

OZGROWTH LIMITED
A.B.N. 52 126 450 271

Directors

Peter Diamond

Non Executive Chairman

Philip Rees

Executive Director, Company Secretary

Jay Hughes

Non Executive Director

Michael Jefferies

Non-Executive Director

Registered Office

Level 18, Alluvion
58 Mounts Bay Road
PERTH WA 6000

Telephone: (08) 9321 7877

Facsimile: (08) 9321 8288

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

CHAIRMAN'S REPORT

On behalf of my fellow Directors, I am pleased to provide the 2010 Annual Report for the Company.

Significant results of the 2010 financial year include:

- A net profit after tax of \$8,827,548 was generated. This compares to a loss after tax in the prior year of \$3,791,729;
- A final dividend of 1.1 cents per share has been provided for in respect of the 2010 financial year (2009: nil). An interim dividend of 0.3 cents per share was paid in February 2010 (2009: nil);
- Net assets per share rose from 20.0 cents to 20.9 cents. This figure is after allowance for tax attributable to unrealized gains and losses, payment of the interim dividend and provision of the final dividend.



For more detailed information on the investment performance and portfolio of the Company, I refer you to the Investment Manager's Report on page 5.

Our company's investment strategy commenced in January 2008, which coincided with the onset of the GFC. The last two and a half years has probably been the most challenging period for financial markets that we have experienced in our working lives. Equity markets halved in value over this period, showed a strong recovery to April 2010 and experienced a second sell off in May and June. Overall, the broader Australian equity market is down 26% since December 2007.

Our investment performance over this time is encouraging. We have increased the value of assets underlying our shares and have returned to paying dividends in the 2010 financial year. Our primary focus is to continue this growth and flow of dividends in coming periods.

We are also mindful of the discrepancy between the current market price of our securities and the underlying asset value. We are confident that with a continuation of our record since inception, these two will be more closely aligned in the future.

I would like to thank shareholders for their support since the establishment of Ozgrowth Limited through what have been extremely testing conditions. I look forward to further reporting as we progress towards our long term objectives.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Peter Diamond', written over a horizontal line.

PETER DIAMOND
Chairman

ABOUT OZGROWTH

- Ozgrowth Limited is a listed investment company (ASX code: OZG) that focuses on producing a positive return on funds invested.

- It was formed on 9 July 2007 and raised its initial capital for investment in December 2007. As at 30 June 2010, it had \$86,823,367 of assets invested.

- The company has appointed Westoz Funds Management Pty Ltd as manager to oversee the investment of its portfolio of assets. This manager is a wholly owned subsidiary of Euroz Limited, a listed company that also operates a stock-broking business based in Western Australia.

- The investment mandate set 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 \$1,000 million.

- Ozgrowth Limited will consider investments in small companies, as well as suitable unlisted opportunities.

- The manager is paid a base fee of 1% per annum of funds managed. In addition, where performance exceeds 7% over a twelve month period to the end of June, a performance fee is paid to the manager.



Ozgrowth Board of Directors: Jay Hughes, Peter Diamond, Michael Jefferies and Phil Rees.

MANAGER'S REPORT

Portfolio Return

The Company invests in small to mid sized companies, generally listed on the Australian Securities Exchange and with some connection to Western Australia. The portfolio of assets is managed to generate a positive return regardless of movements in the broader equity market.

To assist in the assessment of performance, we report a rate of return from the investment portfolio before allowance for fees and taxes. This allows a comparison to other widely available benchmarks.

The last twelve months of investment activity generated an investment return of 18.4% before allowance for fees and taxes.

We also report the net assets per share on a regular basis which is after allowance for all fees and taxes, including tax provided for on unrealized gains or losses.

At 30 June 2010, the net assets per share was 20.9 cents (2009: 20.0 cents).

Asset Allocation

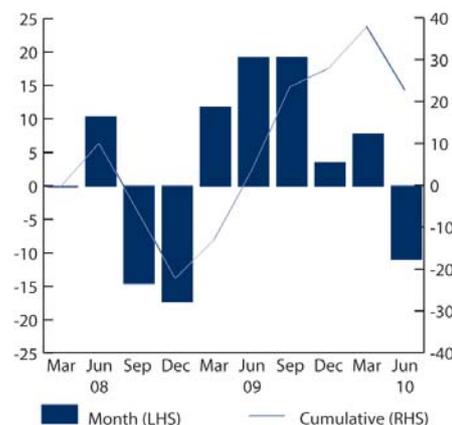
Investment activity commenced in January 2008 with a portfolio consisting entirely of cash.

18% of assets were held in cash at 30 June 2010.

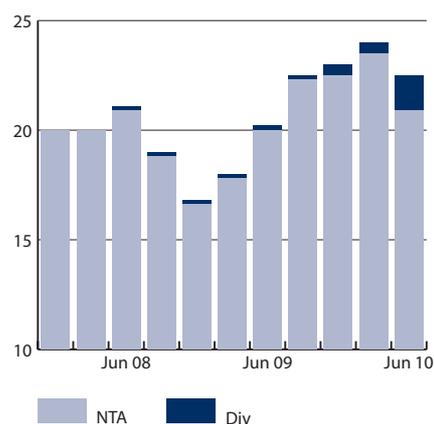
The Company may hold significant cash levels from time to time if suitable equity investments are not available.

Within the equity component of the portfolio, resource stocks represented 47%, with industrial stocks 53%.

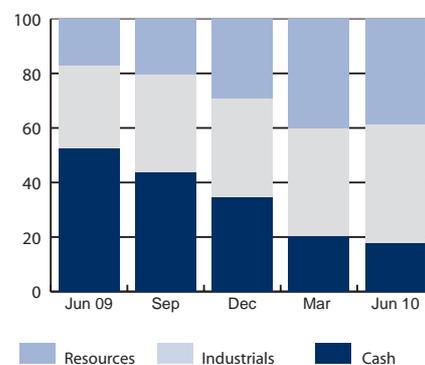
Portfolio Performance



Net Assets



Investment Mix



DIRECTOR'S REPORT

Your directors submit their report for the year ended 30 June 2010.

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
Michael Jefferies

Peter Diamond

Non Executive Chairman

Mr Diamond is Non Executive Chairman of the Company, and serves on the Company's Audit Committee. He is also Executive Chairman of Euroz Limited (appointed 20 November 2000) and Non Executive Chairman of Westoz Investment Company Limited (appointed 11 March 2005). Mr Diamond holds a Bachelor of Business Degree and is a Member of Certified Practising Accountants Australia.

Philip Rees

Executive Director/Company Secretary

Mr Rees is Executive Director and Company Secretary of the Company. He is also Executive Director of Westoz Investment Company Limited (appointed 11 March 2005) 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 Practising 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 Westoz Investment Company Limited (appointed 11 March 2005). Mr Hughes holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He was recognized 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 Michael Jefferies

Non Executive Director

Mr Jefferies is a Non executive Director of the Company, and serves on the Company's Audit Committee. He currently sits on the Boards of Capral Limited (appointed 6 November 2008), ClearView Wealth Limited (appointed 4 November 2008), Tower Limited (appointed 19 December 2006) and Metals X Limited (appointed 14 June 2004) and is Chairman of Touch Holdings Limited (appointed 28 June 2004) and was formerly a director of Australian Wealth Management Limited (appointed 29 October 2004, resigned 24 April 2007) and Tower Australia Limited (appointed 8 August 2006, resigned 8 August 2008). Mr Jefferies is a Chartered Accountant and holds a Bachelor of Commerce Degree.

DIRECTOR'S REPORT

2. DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year ended 30 June 2010 and the numbers of meetings attended by each director were as follows:

	Directors' Meetings Held During Period Of Appointment	Directors' Meetings Attended During Period Of Appointment	Audit Committee Meetings Held During Period Of Appointment	Audit Committee Meetings Attended During Period Of Appointment
Peter Diamond	5	5	2	2
Philip Rees	5	5	-	-
Jay Hughes	5	5	2	2
Michael Jefferies	5	5	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 year, the principal activity of the economic entity was as an investment company.

4. OPERATING RESULTS

For the year ended 30 June 2010, the company made an operating profit after tax of \$8,827,548 (2009: loss of \$3,791,729).

5. DIVIDENDS

An interim dividend of \$1,197,736 (0.3 cents per share) was paid on 15 February 2010. No dividend was paid in the financial year ended 30 June 2009.

The Board of Directors has recommended that a final dividend of \$4,313,195 (1.1 cents per share) be paid in respect of the 2010 financial year. This amount is provided in the 30 June 2010 financial statements (2009: \$nil).

6. REVIEW OF OPERATIONS

A Chairman's Report and Investment Manager's Report is included on pages 2 to 5 of this Annual Financial Report. This, together with the sections headed "Significant Changes in State of Affairs" and "Events Subsequent to Balance Date", provides a review of operations of the Company during the year and subsequent to reporting date.

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

There have been no 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.

DIRECTOR'S REPORT

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 of the Company and related bodies corporate are:

As at 30 June 2009	Balance 1 July 2009	On Market Purchase	Net Change Other	Balance 30 June 2010
Director	Shares	Shares	Shares	Shares
Peter Diamond				
Held Directly or Indirectly	2,500,000	-	-	2,500,000
Philip Rees				
Held Directly or Indirectly	500,000	-	-	500,000
Jay Hughes				
Held Directly or Indirectly	1,000,000	-	-	1,000,000
Michael Jefferies				
Held Directly or Indirectly	500,000	-	-	500,000

As at 30 June 2009	Balance 1 July 2008	On Market Purchase	Net Change Other	Balance 30 June 2009
Director	Shares	Shares	Shares	Shares
Peter Diamond				
Held Directly or Indirectly	2,500,000	-	-	2,500,000
Philip Rees				
Held Directly or Indirectly	500,000	-	-	500,000
Jay Hughes				
Held Directly or Indirectly	1,000,000	-	-	1,000,000
Michael Jefferies				
Held Directly or Indirectly	500,000	-	-	500,000

11. SHARE OPTIONS

As at the date of this report the Company has no options on issue.

12. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Ozgrowth 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.

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.

DIRECTOR'S REPORT

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 2010. Details of Key Management Personnel are as follows:

Peter Diamond	Chairman (non-executive)	Appointed 9 July 2007
Philip Rees	Executive Director	Appointed 31 October 2007
Jay Hughes	Director (non-executive)	Appointed 9 July 2007
Michael Jefferies	Director (non-executive)	Appointed 31 October 2007

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

Mr Jefferies is the only Director of the Company paid on a monthly basis. 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 2009 is as follows:

		Short-term Fee (\$)	Post-employment Superannuation (\$)	Total (\$)
M Jefferies	2010	50,000	4,885	54,885
	2009	50,000	-	50,000

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 \$961,397 (2009: \$723,450) and performance fees of \$1,761,008 (2009: \$nil) for the year. These fees were charged in accordance with a 10 year management agreement starting from 14 December 2008. Management fee is calculated at 1% per annum of funds managed. Performance fee is payable where performance exceeds 7% 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.

14. CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Ozgrowth Limited support and have adopted a corporate governance plan. Details of the Corporate Governance Practices can be found on page 32 to 39.

15. AUDITOR INDEPENDENCE

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included on page 10 and forms part of the Ozgrowth Limited's report for the year ended 30 June 2010.

16. NON AUDIT SERVICES

The following non-audit services were provided by the company's auditor, Ernst & Young. The directors are satisfied that 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.

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

Tax compliance services	\$
	2,739
	<u>2,739</u>

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



PETER DIAMOND
Non Executive Chairman 5 August 2010, Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION



Ernst & Young Building
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843
Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
www.ey.com/au

Auditor's Independence Declaration to the Directors of Ozgrowth Limited

In relation to our audit of the financial report of Ozgrowth Limited for the financial year ended 30 June 2010, 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.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'T G Dachs' in a cursive style.

T G Dachs
Partner
Perth
5 August 2010

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended 30 June 2010

	Note	30/06/10 \$	30/06/09 \$
REVENUE FROM CONTINUING OPERATIONS			
Interest revenue		1,020,452	2,063,393
Dividend revenue		1,426,423	757,555
Other revenue		68,483	79,527
Total revenue		2,515,358	2,900,475
Changes in the fair value of investments designated at fair value through profit or loss upon initial recognition	4	12,455,066	(7,720,919)
		14,970,424	(4,820,444)
EXPENSES			
Managers fees	13(b)	2,722,405	723,450
Director fees		54,885	50,000
Professional fees		55,927	33,790
Other Expenses	6	50,755	36,852
Total expenses		2,883,972	844,092
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		12,086,452	(5,664,536)
Income tax (credit)/expense	7	3,258,904	(1,872,807)
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		8,827,548	(3,791,729)
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		8,827,548	(3,791,729)
Earnings/(loss) per share (cents)			
- Basic and Diluted	15	2.21	(0.95)
Dividend per share (cents)	8	1.4	-

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 June 2010

	Note	30/06/10 \$	30/06/09 \$
CURRENT ASSETS			
Cash and Cash Equivalents	18(a)	15,706,314	42,512,478
Other	9	221,355	38,303
TOTAL CURRENT ASSETS		15,927,669	41,748,248
NON -CURRENT ASSETS			
Investments in financial assets designated as at fair value through profit or loss:			
- Listed Equities	5	71,423,523	38,053,756
Deferred Tax Assets		3,240	1,072,038
TOTAL NON-CURRENT ASSETS		71,426,763	39,125,794
TOTAL ASSETS		87,354,432	81,676,575
CURRENT LIABILITIES			
Trade and Other Payables	10	364,515	926,711
Income Tax Payable		649,684	742,013
Distribution Payable	8	4,313,195	-
TOTAL CURRENT LIABILITIES		5,327,394	1,668,724
TOTAL LIABILITIES		5,327,394	1,668,724
NET ASSETS		82,027,038	80,007,851
EQUITY			
Contributed Equity	11	78,702,672	80,000,100
Retained Earnings	11	3,324,366	7,751
TOTAL EQUITY		82,027,038	80,007,851

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

CASH FLOW STATEMENT

For the Year Ended 30 June 2010

	Note	30/06/10 \$	30/06/09 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		1,020,452	2,063,393
Dividends received		2,495,221	802,555
Payments to suppliers and employees (inclusive of GST)		(2,758,204)	(1,025,124)
Income tax paid		(3,351,234)	(398,685)
NET CASH FLOWS FROM OPERATING ACTIVITIES	18	(2,593,765)	1,442,139
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments designated as at fair value through profit or loss		30,432,354	23,012,660
Payments for purchases of investments designated as at fair value through profit or loss		(51,347,056)	(26,777,611)
NET CASH FLOWS USED IN INVESTING ACTIVITIES		(20,914,702)	(3,764,951)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repurchase of ordinary shares		(1,297,428)	-
Dividends paid		(1,197,736)	(800,001)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		(2,495,164)	(800,001)
NET INCREASE/(DECREASE) IN CASH HELD		(26,003,631)	(3,122,813)
Cash and cash equivalents at the beginning of the period		42,512,478	45,635,291
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	18	15,706,314	42,512,478

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 2010

	Contributed Equity	Retained Earnings	Total Earnings
	\$	\$	\$
At 1 July 2009	80,000,100	7,751	80,007,851
Profit for the period	-	8,827,548	8,827,548
Total Comprehensive income/(loss) for the period	-	8,827,548	8,827,548
Transactions with owners in their capacity as owners:			
Share Buyback	(1,297,428)	-	(1,297,428)
Dividend for the year	-	(5,510,933)	(5,510,933)
At 30 June 2010	<u>78,702,672</u>	<u>3,324,366</u>	<u>82,027,038</u>

For the Year Ended 30 June 2009

	Contributed Equity	Retained Earnings	Total Earnings
	\$	\$	\$
At 1 July 2008	80,000,100	3,799,480	83,799,580
Loss for the period	-	(3,791,729)	(3,791,729)
Total income and expense for the period	-	(3,791,729)	(3,791,729)
Equity transaction			
Issue of Share Capital	-	-	-
Dividend for the year	-	-	-
At 30 June 2009	<u>80,000,100</u>	<u>7,751</u>	<u>80,007,851</u>

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

1. CORPORATE INFORMATION

The financial report of Ozgrowth Limited for the year ended 30 June 2010 was authorised for issue in accordance with a resolution of the Directors on 5 August 2010.

Ozgrowth Limited is a company limited by shares that is incorporated and domiciled in Australia whose shares are listed on the Australian Securities Exchange.

Ozgrowth Limited does not control any entities at 30 June 2010.

The company had no employees as at 30 June 2010.

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 2010 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 2009.

AASB 101 Presentation of Financial Statements (revised 2007) effective 1 July 2009

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented in a reconciliation of each component of equity and included in the new statement of comprehensive income. The statement of comprehensive income presents all items of recognised income and expense, either in one single statement, or in two linked statements. The Company has elected to present one statement.

AASB 7 Financial Instruments: Disclosures effective 1 July 2009

The amended Standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to all financial instruments recognised and measured at fair value are to be disclosed by source of inputs using a three level fair value hierarchy, by class. In addition, a reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management.

The fair value measurement disclosures are presented in note 5. The liquidity risk disclosures are not significantly impacted by the amendments.

AASB 8 Operating Segments effective 1 January 2009

AASB 8 replaced AASB 114 Segment Reporting upon its effective date. The Company concluded that the operating segments determined in accordance with AASB 8 are the same as the business segments previously identified under AASB 114. AASB 8 disclosures are shown in note 3, including the related revised comparative information.

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 2010. These are outlined in the table on the following page:

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

Reference	Title	Summary	Application date of standard*	Impact on Group financial report	Application date for Company*
AASB 2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>"The revised Standard introduces a number of changes to the accounting for financial assets, the most significant of which includes:</p> <ul style="list-style-type: none"> • two categories for financial assets being amortised cost or fair value • removal of the requirement to separate embedded derivatives in financial assets • strict requirements to determine which financial assets can be classified as amortised cost or fair value. Financial assets can only be classified as amortised cost if (a) the contractual cash flows from the instrument represent principal and interest and (b) the entity's purpose for holding the instrument is to collect the contractual cash flows • an option for investments in equity instruments which are not held for trading to recognise fair value changes through other comprehensive income with no impairment testing and no recycling through profit or loss on derecognition • reclassifications between amortised cost and fair value no longer permitted unless the entity's business model for holding the asset changes • changes to the accounting and additional disclosures for equity instruments classified as fair value through other comprehensive income 	1-Jan-13	The company is in the process to determine the extent of the impact of the amendments, if any.	1-Jul-13
AASB 2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	<p>"This amendment makes numerous editorial changes to a range of Australian Accounting Standards and Interpretations. The amendment to AASB 124 clarifies and simplifies the definition of a related party as well as providing some relief for government-related entities (as defined in the amended standard) to disclose details of all transactions with other government-related entities (as well as with the government itself)"</p>	1-Jan-11	The company is in the process to determine the extent of the impact of the amendments, if any.	1-Jul-11
Interpretation 19***	Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments	<p>"This interpretation clarifies that equity instruments issued to a creditor to extinguish a financial liability are "consideration paid" in accordance with paragraph 41 of IAS 39. 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."</p>	1-Jul-10	The company is in the process to determine the extent of the impact of the amendments, if any.	1-Jul-10

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

(c) Investments in financial assets

All investments are initially recognized at fair value.

When financial assets are initially recognized 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. Financial assets designated as fair value through profit or loss are equity instruments 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 to 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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

(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. They represent 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 year adjusted for any bonus element. The Company has no dilutive securities on issue.

(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.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

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 DESIGNATED AS FAIR VALUE THROUGH PROFIT OR LOSS

	30/06/10	30/06/09
	\$	\$
Net realised gain on disposal of investments – listed equities	3,562,658	1,031,048
Net unrealised gain/(loss) on investments – listed equities	8,892,407	(8,751,967)
	<u>12,455,066</u>	<u>(7,720,919)</u>

The total number of contract notes that were issued for transactions during the financial year was 476 (2009: 334). The total brokerage paid on these contract notes was \$272,902 (2009: \$168,127).

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 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				
Financial assets held for trading				
(i) Listed equities	70,591,055	-	832,468	71,423,523
	70,591,055	-	832,468	71,423,523

	30 June 2009			
	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				
Financial assets held for trading				
(i) Listed equities	38,053,756	-	-	38,053,756
	38,053,756			38,053,756

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

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 2010	Financial assets held for trading	
	Unquoted equity securities	Total
Opening balance	-	-
Transfers into or out of level 3	832,468	832,468
Closing balance	832,468	832,468

6. OTHER EXPENSES

	30/06/10	30/06/09
	\$	\$
ASX Fees	32,223	27,712
Other	18,532	9,140
	<u>50,755</u>	<u>36,852</u>

7. INCOME TAX

	30/06/10	30/06/09
	\$	\$

The major components of income tax expense/(credit) are:

Statement of comprehensive income

Current Income Tax

Current income tax charge (benefit)	2,190,106	752,782
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Deferred income tax

Relating to origination and reversal of temporary differences	1,068,798	(2,625,589)
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Income tax expense reported in statement of comprehensive income

	<u>3,258,904</u>	<u>(1,872,807)</u>
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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:

Accounting profit before tax	12,086,452	(5,664,536)
Tax at the statutory income tax rate of 30%	3,625,936	(1,699,361)
Tax effect of amounts which are not deductible(taxable) in calculating taxable income	367,032	(173,446)
Income tax expense	<u>3,258,904</u>	<u>(1,872,807)</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

Deferred Income tax

Deferred income tax at 30 June relates to the following:

	Statement of financial position		Statement of comprehensive income	
	2010 \$	2009 \$	2010 \$	2009 \$
<i>Deferred Tax Assets</i>				
Unrealized loss on investments in financial assets	-	1,072,038	1,068,798	(1,072,038)
	-	1,072,038	1,068,798	(1,072,038)
<i>Deferred Tax Liabilities</i>				
Unrealised gain on investments in financial assets	3,240	-	-	(1,553,551)
	3,240	-	-	(1,553,551)

8. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	30/06/10 \$	30/06/09 \$
Ordinary Shares		
Interim dividend of 0.3 cents per share paid on 15 February 2010	1,197,736	-
Final dividend of 1.1 cents per share declared and provided for at 30 June 2010 (2009: nil cents per share per fully paid ordinary share Fully franked based on tax paid or payable at 30%)	4,313,195	-
	5,510,931	-

Franking Credit Balance

Franking credits available at the end of the financial year at 30%	2,618,849	329,542
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	649,683	-
Franking credits that will arise from the receipt of franked dividends receivable at the end of the financial year	-	-
Franking debits that will arise by the payment of dividends as at the end of the financial year	(1,848,512)	-
	1,420,020	329,542

9 OTHER CURRENT ASSETS

Other – Outstanding settlements	62,426	13,736
Other - GST Receivable (a)	158,929	24,567
	221,355	38,303

Note (a): Other – 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)

Trade Payables	112,844	124,178
Outstanding purchase settlements	251,671	802,533
	364,515	926,711

Total trade payables are non-interest bearing and normally settled on 30 day terms. Purchase settlements are normally settled on 3 day terms.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

11. CONTRIBUTED EQUITY

	30/06/10	30/06/09
	\$	\$
a) Contributed Equity		
392,108,643 fully paid ordinary shares (2009:400,000,500)	78,702,672	80,000,100

	30/06/10		30/06/09	
	No. of Shares	\$	No. of Shares	\$
(b) Movements in ordinary shares on Issue				
Beginning of the financial period	400,000,500	80,000,100	400,000,500	80,000,100
- Share Buyback	(7,891,857)	(1,297,428)	-	-
	392,108,643	78,702,672	400,000,500	80,000,100

(c) Terms and conditions of contributed equity

The Company does not have an 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) Retained Earnings

	30/06/10	30/06/09
	\$	\$
Balance at beginning of period	7,751	3,799,480
Net profit for the year	8,827,548	(3,791,729)
Interim dividend paid	(1,197,738)	-
Provision for final dividend	(4,313,195)	-
Balance at end of period	3,324,366	7,751

(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 2010 was \$82,027,039 (2009: \$80,007,851) comprising equity share capital and retained earnings. The Company was ungeared at year end.

12. AUDITORS' REMUNERATION

	30/06/10	30/06/09
	\$	\$
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	52,934	44,290
- services in relation to tax compliance for the company	2,739	8,240
	55,673	52,530

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

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 Jefferies is the only paid Director of the Company. The total remuneration payable for the financial year is \$54,885 (2009: \$50,000).

(b) Transactions with Directors or Director Related Entities

The Directors of Ozgrowth Limited during the year were Mr Peter Diamond, Mr Philip Rees, Mr Jay Hughes and Mr Michael Jefferies.

Westoz Funds 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 Ozgrowth 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 2010) of \$2,722,405 (2009: \$732,450) was charged in the period for these services. There was \$79,640 (2009: \$67,650) accrued for management fees payable as at 30 June 2010.

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 7% 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 Ozgrowth 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 \$256,113 (2009: \$154,808) was paid in the year as brokerage to Euroz Securities Limited. There is no outstanding balance as at 30 June 2010 (2009: Nil).

The above transactions were entered into on normal commercial terms.

(c) Shareholdings of Key Management Personnel

As at 30 June 2010	Balance 1 July 2008	Prospectus Issue	Net Change Other	Balance 30 June 2009
Director	Shares	Shares	Shares	Shares
Peter Diamond				
Held Directly or Indirectly	2,500,000	-	-	2,500,000
Philip Rees				
Held Directly or Indirectly	500,000	-	-	500,000
Jay Hughes				
Held Directly or Indirectly	1,000,000	-	-	1,000,000
Michael Jefferies				
Held Directly or Indirectly	500,000	-	-	500,000
Westoz Funds Management Pty Ltd				
Held Directly or Indirectly	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

As at 30 June 2009	Balance 1 July 2008	Prospectus Issue	Net Change Other	Balance 30 June 2009
	Shares	Shares	Shares	Shares
Director				
Peter Diamond				
Held Directly or Indirectly	2,500,000	-	-	2,500,000
Philip Rees				
Held Directly or Indirectly	500,000	-	-	500,000
Jay Hughes				
Held Directly or Indirectly	1,000,000	-	-	1,000,000
Michael Jefferies				
Held Directly or Indirectly	500,000	-	-	500,000
Westoz Funds Management Pty Ltd				
Held Directly or Indirectly	-	-	-	-

14. RELATED PARTY DISCLOSURES

(a) Ultimate Parent

Ozgrowth 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 company by the weighted average number of ordinary shares outstanding during the year.

The company has no dilutive securities on issue.

	30/06/10	30/06/09
	\$	\$
Net profit/(loss) attributable to ordinary equity holders of the company used in calculating basic earnings per share	8,827,548	(3,791,729)
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	398,720,807	400,000,500
Basic earnings per share (cents)	2.21	(0.95)

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 2010 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 as at 30 June 2010 (2009: Nil).

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

18. NOTES TO THE STATEMENTS OF CASH FLOW

(a) Reconciliation of Cash

For the purpose of the annual report, cash and cash equivalents are expressed as follows:

	30/06/10	30/06/09
	\$	\$
Cash at Bank and in hand	15,706,314	42,512,478
	<u>15,706,314</u>	<u>42,512,478</u>

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

The fair value of cash and cash equivalents is \$15,706,314 (2009: \$42,512,478). Of the total cash and cash equivalents at 30 June 2010, \$15,399,838 (2009: \$41,601,946) is held in the investment portfolio and the balance held for operational purposes.

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

Net profit / (loss) after tax	8,827,547	(3,791,729)
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Adjustment for Non-Cash Items:

Items classified as Investing

Unrealised (profit)/loss on shares	(3,562,658)	8,751,967
Realised profit on shares	(8,892,407)	(1,031,048)

Changes in Assets and Liabilities:

Increase/(Decrease) in trade and other payables	(92,330)	(328,996)
(Increase)/Decrease in other assets	(183,052)	113,437
Movement in deferred tax balances	1,068,798	(2,625,589)
Increase in tax payable	(92,330)	354,097

Net Cash generated from Operating Activities	<u>(2,593,765)</u>	<u>1,442,139</u>
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(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 2010 (2009: Nil).

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.

Maturity analysis for financial liabilities

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

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2010

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, which have variable interest rates. The total cash balance at 30 June 2010 was \$15,706,314 (2009: \$42,512,748). 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 2009, 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 of future trends. The analysis is performed on the same basis for 2009.

Change in Basis Points		2010		2010	
		Effect on Post Tax Profit (\$)		Effect on Equity including retained earnings (\$)	
Increase	Decrease	Increase	Decrease	Increase	Decrease
50	50	53,899	(53,899)	53,899	(53,899)

Change in Basis Points		2009		2009	
		Effect on Post Tax Profit (\$)		Effect on Equity including retained earnings (\$)	
Increase	Decrease	Increase	Decrease	Increase	Decrease
50	50	148,793	(148,793)	148,793	(148,793)

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 the 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 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 2009.

Index	Change in Index	2010	
		Effect post tax profit (\$)	Effect on Equity including retained earnings (\$)
ASX Small Ordinaries Index	Down 10%	(4,999,647)	(4,999,647)

Index	Change in Index	2009	
		Effect post tax profit (\$)	Effect on Equity including retained earnings (\$)
ASX Small Ordinaries Index	Down 10%	(2,660,000)	(2,660,000)

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Ozgrowth 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 2010 and of its performance for the year ended on that date; and
 - (ii) complying 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 ended 30 June 2010.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Peter Diamond', written over a horizontal line.

Peter Diamond
Chairman

5 August 2010

INDEPENDENT AUDIT REPORT



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Independent auditor's report to the members of Ozgrowth Limited

Report on the Financial Report

We have audited the accompanying financial report of Ozgrowth Limited, which comprises the statement of financial position as at 30 June 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal 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 met 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.

Auditor's Opinion

In our opinion:

1. the financial report of Ozgrowth Limited is in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position of Ozgrowth Limited at 30 June 2010 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

INDEPENDENT AUDIT REPORT

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 2010. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Ozgrowth Limited for the year ended 30 June 2010, complies with section 300A of the Corporations Act 2001.



Ernst & Young



T G Dachs
Partner

Perth
5 August 2010

CORPORATE GOVERNANCE PRACTICES

FOR THE YEAR ENDED 30 June 2010

Ozgrowth 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 separate	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 Company Securities Trading Policy	3.2
Recommendation 3.3 Reporting on Principle 3	3.1 and 3.2
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

The policies and procedures summarized below are set out in detail on the Company's website.

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.

CORPORATE GOVERNANCE PRACTICES

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 and Executives roles 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.

There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

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. As per the process stated in this section, both Annual and Periodic performance evaluations of the Executive Officers has been conducted during the reporting period.

CORPORATE GOVERNANCE PRACTICES

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 its 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 recognizes 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. Mr Jefferies is the sole Independent Director under the above criteria. 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.

CORPORATE GOVERNANCE PRACTICES

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 its employees to strive to do the same.

CORPORATE GOVERNANCE PRACTICES

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 Trading in Company Shares

The Company has a Share Trading Policy under which Directors and certain employees and their associates may trade in the Company's securities during the 2 weeks immediately after each of the following ("trading window"):

- the release by the Company of its monthly NTA on its website;
- the release by the Company of its half-yearly results on its website; and
- the release by the Company of its annual results on its website.

The Share Trading Policy also allows for individuals to trade in the Company's securities at other times provided they advise specified Company officers and that such trade are consistent with the law. Officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company of which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Notice of an intention to trade must be given prior to trading in the Company's securities as well as a confirmation that the person is not in possession of any unpublished price sensitive information.

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 Jefferies, Mr Diamond and Mr Hughes. All members can read and understand financial statements and are otherwise financially literate. Mr. Jefferies 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 and all members attended.

CORPORATE GOVERNANCE PRACTICES

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.

CORPORATE GOVERNANCE PRACTICES

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 available on the Company's website.

CORPORATE GOVERNANCE PRACTICES

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 Jefferies is the only Non-Executive Director being remunerated.

SHAREHOLDER INFORMATION

ORDINARY SHARES AT 27 JULY 2010

A) DISTRIBUTION OF SHAREHOLDERS

Analysis of number of shareholders by size of holding

Issued Capital Distribution of Holdings	Ordinary Shares	
	Holders	Units
1-5,000	34	117,122
5,001-10,000	83	802,910
10,001-100,000	514	25,533,085
100,001 and over	328	365,655,526
TOTAL Holders	959	392,108,643

B) TOP TWENTY SHAREHOLDERS

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

No. Shareholder	Shares	%
1. ZERO NOMINEES PTY LTD	129,030,393	32.9%
2. OSSON PTY LTD	40,000,000	10.2%
3. ANZ NOMINEES LIMITED	22,861,984	5.8%
4. RACWA HOLDINGS PTY LTD	12,500,000	3.2%
5. AUSTRALIAN EXECUTOR TRUSTEES	11,362,980	2.9%
6. CITICORP NOMINEES PTY LIMITED	9,313,562	2.4%
7. ICE COLD INVESTMENTS PTY LTD	5,000,000	1.3%
8. ONYX (WA) PTY LTD	5,000,000	1.3%
9. YANDAL INVESTMENTS PTY LTD	5,000,000	1.3%
10. G J P INVESTMENTS PTY LTD	2,577,500	0.7%
11. DENBY MACGREGOR SUPERANNUATION	2,500,000	0.6%
12. PALAZZO NOMINEES PTY LTD	2,500,000	0.6%
13. WESTRADE RESOURCES PTY LTD	2,410,000	0.6%
14. DURBECK PTY LTD	2,400,000	0.6%
15. RBC DEXIA INVESTOR SERVICES	2,007,242	0.5%
16. ICE COLD INVESTMENTS PTY LTD	2,000,000	0.5%
17. ICE COLD INVESTMENTS PTY LTD	2,000,000	0.5%
18. ROLLASON PTY LTD	2,000,000	0.5%
19. MR NICHOLAS DUNCAN	1,450,000	0.4%
20. BRIGHT DRAGON PTY LTD	1,250,000	0.3%
TOTAL	263,163,661	67.1%
REMAINDER	128,944,982	32.9%
GRAND TOTAL	392,108,643	100.0%

C) SHAREHOLDERS WITH GREATER THAN 5%

As at 7 July 2010, the company had 3 shareholders with greater than 5% of the issued ordinary share capital:

Shareholder	Shares	%
Euroz Limited	111,734,893	27.9%
Kingston Capital Limited	41,802,579	10.5%
Osson Pty Ltd	40,000,000	10.0%

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