Annual Report

For the year ended 30 June 2007

VANTAGE PRIVATE EQUITY GROWTH LIMITED

ACN 112 481 875

INVESTMENT MANAGER

vantage Asset Management

Principal registered office in Australia

Level 31, 88 Phillip Street, Sydney NSW 2000

Notice of annual general meeting

The annual general meeting of Vantage Private Equity Growth Limited will be held at:

Sofitel Wentworth, 61-101 Phillip Street, Sydney NSW 2000
Time: 9:00am
Date: 13 December 2007

Investment Manager

Vantage Asset Management Pty Limited
Level 31, 88 Phillip Street, Sydney NSW 2000

Auditor

Ernst & Young
The Ernst & Young Centre, 680 George Street, Sydney NSW 2000

Custodian and Investment Administration

Australia and New Zealand Banking Group Limited
Level 21, 530 Collins Street, Melbourne VIC 3000

Share Registry

ComputerShare Investor Services Pty Limited
60 Carrington Street, Sydney NSW 2000

Legal Advisors

Deacons
1 Alfred Street, Circular Quay, Sydney NSW 2000

Enhanced Yield Investments Manager

AMP Capital Investors Limited
Level 13, AMP Centre, 50 Bridge Street, Sydney NSW 2000

Enquiries

Phone: 1300 761 849 or + 613 9415 4371 if calling outside of Australia
Email: enquiries@vpeg.info **Website**: www.vpeg.info

Contents

Directors' Report

Your directors of Vantage Private Equity Growth Limited present their report on the company for the 12 months ended 30 June 2007.

Directors

The following persons were directors of Vantage Private Equity Growth Limited during the whole of the financial year and up to the date of this report:

Roderick H McGeoch AM *(Non-Executive Chairman)*
Patrick Handley *(Non-Executive Director)*
Paul Scully *(Non-Executive Director)*
Michael Tobin *(Managing Director)*
Niek Hoogenhout *(Executive Director)*

Principal activity

The principal activity of the company is investment in professionally managed private equity funds focussed on investing in the later expansion and buyout stages of private equity, predominantly in Australia with additional diversification in Europe.

By late 2009 the company intends to have invested in up to 12 private equity funds managed by top performing Australian and European private equity fund managers that are generally inaccessible to private investors. The company intends to list its shares on the ASX from late 2009.

Dividends

Since the end of the financial year the directors have recommended the payment of a final ordinary dividend of $281,660 (1 cent per fully paid share) to be paid on 12 November 2007 out of retained profits at 30 June 2007, to shareholders of the company who were shareholders as at 30 June 2007.

Review of operations

The principal objective of the company is to provide investors with the benefit of a well-diversified private equity investment portfolio. This is achieved by focusing on providing the majority of its commitments and investments to underlying funds that invest in businesses that are at a more mature stage of development, and in particular the later expansion and buyout stages of private equity investment.

The company commenced raising capital under an offer which opened on 6 February 2006 and closed on 31 January 2007 and raised $28,166,006. A new offer opened on 15 May 2007 and will close on 14 May 2008. The initial issue price for shares under this offer was $1.05 per share and the issue price remained at this price until 30 June 2007. Thereafter, the issue price increases each month at a rate determined by the greater of an annualised rate of 8.3% or the monthly gain in the company's net asset value per share over the relevant period.

Since the commencement of its investment program in late 2006, the company has committed $24 million across four private equity funds. Commitments made as at 30 June 2007 include $8 million to each of Archer Capital Fund 4 and Quadrant Private Equity No. 2 and $4 million to each of Advent V and Crescent Capital Partners III. Capital raised from the current offer will allow the company to increase the level of individual commitments it makes to new private equity funds in the future. Until fully invested in private equity, a portion of the company's investment portfolio will continue to be invested in enhanced yield investments managed by AMP Capital Investors.

The profit after tax amounted to $409k (2006: $1k)

Significant changes in the state of affairs

During the financial year there were no significant changes in the state of affairs of the company.

Matters subsequent to the end of the financial year

In the opinion of the directors, no matter or circumstance has arisen since 30 June 2007 to the date of this report that has significantly affected, or may significantly affect:

(a) the company's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the company's state of affairs in future financial years.

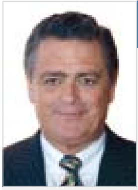
Likely developments and expected results of operations

The operations of the company will continue as planned with new commitments and investments made to (and through) private equity funds, enhanced yield investments, as well as its existing business operations.

Environmental regulation

The operations of this company are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Information on Directors



Roderick H McGeoch AM, LLB. *Chairman (Non Executive)*

Experience and expertise

Rod is the immediate past Chairman Emeritus of Corrs Chambers Wesgarth, a leading Australian law firm and has significant board and advisory experience. His current board positions include Chairman of Pacific Healthcare Australia Limited, Chairman of Sky City Entertainment Group, Director of Telecom Corporation of New Zealand Limited and Director of Ramsay Healthcare Limited. Rod was previously a member of the International Advisory board of Morgan Stanley Dean Witter, one of the world's leading financial institutions.

Rod was also the Chief Executive Officer of Sydney's successful Olympic bid and a Director of the Sydney Organising Committee for the Olympic Games.

Rod was awarded membership of the Order of Australia for services to Law and the Community in 1990.

Special responsibilities

Chairman of the Board and member of the Audit Committee.

Patrick Handley B.Com., MBA. *Non Executive Director*

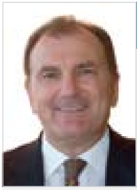
Experience and expertise

Pat is currently Chairman of Pacific Brands Limited and has overseen the turnaround of the company since 2001 after it was purchased from Pacific Dunlop in a Management Buyout led by the Private Equity fund managers Catalyst and CVC Asia Pacific. Pat has over 30 years international financial services experience and is also currently the Chairman of York Capital Management and a strategic adviser to PricewaterhouseCoopers and Nomura Securities.

Pat was previously an Executive Director and Chief Financial Officer of Westpac Banking Corporation, where during his tenure he established the first Quadrant Capital fund in 1994. Pat has also been Chairman and Chief Executive Officer of County Savings Bank (USA), Chief Financial Officer of BancOne Corporation (USA) and a Director of Suncorp Metway Limited, AMP Limited and HHG.

Special responsibilities

Chairman of the Audit Committee



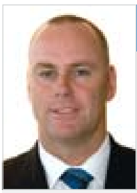
Paul Scully BA, FIAA, FAICD *Non Executive Director*

Experience and expertise

Paul is currently an independent consultant and has extensive experience in many aspects of institutional investment management, covering business and asset management, M&A and Private Equity. Paul's current board positions include SAS Trustee Corporation, a NSW Government employee superannuation fund and ING Management Pty Ltd, the responsible entity for the listed property funds of the ING Group in Australia, including the ING Office Fund & ING Industrial Fund.

Paul is the former CEO and Managing Director of ING Investment Management (INGIM) Asia Pacific and a member of INGIM's Global Management Board. Paul was responsible for establishing INGIM's Private Equity multi manager investment program in 1997 and was part of the team that subsequently built that business to approximately $300m of funds under management. During his tenure, INGIM invested in many Private Equity funds managed by close to 20 Australian Private Equity fund managers.

Paul is an actuary by training and has also written extensively on finance related topics.



Michael Tobin B.E., MBA, DFS (Financial Markets) *Managing Director*

Experience and expertise

Michael has been made available to the company as Managing Director by Vantage Asset Management Pty Limited (the Manager) and is responsible for overseeing the implementation of the company's investment strategy. Michael has over 15 years experience in Private Equity management, advisory and investment as well as in management operations.

Michael was formerly Head of Development Capital and Private Equity at St George Bank where he was responsible for the management and ultimate sale of the bank's commitments and investments in $140m worth of St George branded Private Equity funds. Michael also established the bank's Private Equity advisory business which structured and raised Private Equity for corporate customers of the bank. Michael has arranged and advised on direct Private Equity investments into more than 30 separate private companies in Australia across a range of industry sectors.

Special responsibilities

Managing Director, Company Secretary and member of the Audit Committee

Niek Hoogenhout BBA, MBA. *Executive Director.*

Experience and expertise

Niek has been made available to the company by Vantage Asset Management Pty Limited (the Manager). He is responsible for overseeing the implementation of the company's Investment Strategy into Europe and managing the company's relationship with its European advisors. Niek has over 15 years experience in the financial services sector as well as management operations expertise.

Prior to Vantage, Niek has been a financial services advisor responsible for leading strategic advisory engagements with fund managers and other financial services organisations including AXA Australia, Promina/Tyndall, CGU/Norwich Union, Macquarie Bank and National Australia Bank. Niek has also been an Assistant Vice President of Citibank Australia.

Meetings of directors

The number of meetings of the company's board of directors and of each board committee held during the year ended 30 June 2007, and the number of meetings attended by each director were:

			Meetings of committees	
	Full meetings of directors		Audit	
	A	B	A	B
Roderick H McGeoch AM*	3	3	1	1
Patrick Handley*	3	3	1	1
Paul Scully*	3	3		
Michael Tobin	3	3	1	1
Niek Hoogenhout	3	3		

A = Number of meetings attended
B = Number of meetings held during the time the director held office or was a member of the committee during the year
* = Non-executive director

Indemnification and insurance of Directors and Officers

During the financial year, Vantage Private Equity Growth Limited paid a premium of $14,185 to insure the directors and secretaries of the company.

The company indemnifies the directors and officers on a full indemnity basis and to the full extent possible permitted by law against all losses, liabilities, costs charges and expenses incurred by the officer as an officer of the company or by a related body corporate.

The company may, to the extent permitted by law, purchase and maintain insurance, and pay or agree to pay a premium of insurance for each officer against any liability incurred by the officer as an officer of the company or a related body corporate including but not limited to a liability for negligence or for reasonable costs and expenses incurred in defending proceedings. In addition, the company and each director have entered into a deed which gives the director a contractual right:

(a) to an indemnity from the company for liabilities incurred as an officer of the company, to the extent permitted by the Corporations Act;
(b) to directors' and officers' insurance cover, as permitted in the Corporations Act, for the period that each director is a director of the company and for 7 years after that director ceases to hold office; and
(c) to access documents and records of the company both while the director is a director of the company and after that director ceases to hold office for the purposes expressly permitted by the deed.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the company with leave of the Court under section 237 of the *Corporations Act 2001*.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 11.

Rounding of amounts

The company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the ''rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

On Behalf of the Board

Roderick H McGeoch AM
Chairman

Michael Tobin
Managing Director

Sydney
29 October 2007

ERNST & YOUNG

Ernst & Young Centre
680 George Street
Sydney NSW 2000
Australia

GPO Box 2646
Sydney NSW 2001

Tel 61 2 9248 5555
Fax 61 2 9248 5959

Auditor's Independence Declaration to the Directors of Vantage Private Equity Growth Limited

In relation to our audit of the financial report of Vantage Private Equity Growth Limited for the year ended 30 June 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.

Ernst & Young

Ernst & Young

Daniel Cunningham

Daniel Cunningham
Partner
Date: 24 October 2007

Financial Report

Income statement

For the year ended 30 June 2007

	Notes	**Year ended 30 June 2007 $'000**	Period from 13 January 2005 to 30 June 2006 $'000
Revenue from continuing operations			
Revenue and income	4	**2,174**	81
Expenses			
Investment manager's fees		**(243)**	-
Custody fees		**(34)**	-
Audit Fees		**(67)**	-
Advisor fees		**(535)**	-
Interest expense		**(69)**	(73)
Consulting fees		**(405)**	-
Other expenses	20	**(342)**	(6)
Profit before income tax		**479**	2
Income tax expense	5	**(70)**	(1)
Profit after tax		**409**	1
Profit is attributable to:			
Equity holders of Vantage Private Equity Growth Limited		**409**	1

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

Balance sheet

As at 30 June 2007

	Notes	At 30 June 2007 $'000	At 30 June 2006 $'000
ASSETS			
Current assets			
Cash and cash equivalents		**1,053**	3,174
Trade and other receivables	6	**73**	12
Total current assets		**1,126**	3,186
Non-current assets			
Deferred tax assets	8	**262**	(4)
Available-for-sale financial assets	7	**27,209**	-
Total non-current assets		**27,471**	(4)
Total assets		**28,597**	3,182
LIABILITIES			
Current liabilities			
Trade and other payables	9	**797**	3,184
Income tax payable		**91**	(3)
Total current liabilities		**888**	3,181
Non-current liabilities			
Total non-current liabilities		**-**	-
Total liabilities		**888**	3,181
Net assets		**27,709**	1
EQUITY			
Contributed equity	10	**27,860**	-
Reserves	11(a)	**(561)**	-
Retained profits	11(b)	**410**	1
Total equity		**27,709**	1

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of recognised income and expense

For the year ended 30 June 2007

	Notes	**At 30 June 2007 $'000**	At 30 June 2006 $'000
Total equity at the beginning of the financial year/period		**1**	-
Net loss on available-for-sale financial assets, net of tax	11	**(564)**	-
Net income recognised directly in equity		**(564)**	-
Profit for the year/period		**409**	1
Total recognised income and expense for the year/period		**(155)**	1
Contributions of equity, net of transaction costs	10	**27,860**	-
Share based payments	11	**3**	-
		27,863	-
Attributable to equity holders of Vantage Private Equity Growth Limited		**27,709**	1

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

Cash flow statement

For the year ended 30 June 2007

	Notes	Year ended 30 June 2007 $'000	Period ended 30 June 2006 $'000
Cash flows from operating activities			
Interest received		**229**	69
Distributions received		**1,938**	-
Interest paid		**(96)**	(46)
Prepayments		**(5)**	-
Payment of other expenses		**(1,502)**	(6)
GST paid		**(9)**	-
Net cash flows from/(used in) operating activities	17	**555**	17
Cash flows from investing activities			
Purchase of available-for-sale financial assets		**(30,746)**	-
Proceeds from sale of available-for-sale financial assets		**2,694**	-
Net cash flows from/(used in) investing activities		**(28,052)**	-
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**24,703**	-
Proceeds from receipt of application monies		**673**	3,157
Net cash flows from/(used in) financing activities		**25,376**	3,157
Net increase/(decrease) in cash and cash equivalents		**(2,121)**	3,174
Cash and cash equivalents at the beginning of the year/period		**3,174**	-
Cash and cash equivalents at end of year/period		**1,053**	3,174

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

Notes to the financial statements

30 June 2007

1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied throughout the period, unless otherwise stated.

The financial statements have been approved by the Board on 29 October 2007.

(a) Basis of preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). The financial statements and notes also comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These financial statements have been prepared under the historical cost convention, except for available-for-sale financial assets and financial assets which have been measured at fair value.

Critical accounting estimates and judgement

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars ($'000) unless otherwise stated under the option available to the Company under AISC Class Order 98/0100. The Company is an entity to which the class order applies.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. Revenue is recognised as follows:

(i) Interest income

Interest income is recognised on a time proportion basis using the effective interest method. This is the method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

(ii) Dividends and distribution income

Dividends are recognised as revenue when the right to receive payment is established.

Distributions are recognised on a present entitlements basis.

1. Summary of significant accounting policies *(continued)*

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(e) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

1. Summary of significant accounting policies *(continued)*

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

Other receivables may include amounts for dividends, interest and trust distributions. Dividends and trust distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment. Amounts are generally received within 30 days of being recorded as receivables.

(f) Investments and other financial assets

Classification

The company classifies its investments as available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Available-for-sale financial assets are non-derivatives that are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the company commits to purchase or sell the asset. Investments are initially recognised at their purchase consideration, including costs associated with the acquisition of the investment. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent measurement

Subsequent to initial recognition, investments are valued at their net market value as at the reporting date. The European Venture Capital and Private Equity Association ("EVCA") and Australian Private Equity and Venture Capital Association Limited ("AVCAL") have prepared a uniform approach to the method and frequency of marked to market valuations and their adoption by fund managers. As such, interests in private equity funds will be valued at amounts advised by the managers of those funds (expected to be in accordance with industry guidelines) unless the company reasonably believes that those amounts should be adjusted.

1. Summary of significant accounting policies *(continued)*

The net market value of other assets comprising the investment portfolio is determined by reference to the last available market sales price of those securities on the recognised exchange platform through which they are ordinarily traded or as provided by the relevant fund manager with whom investments have been made from time to time.

Non-listed securities are held at their estimated market value less an allowance for realisation costs. Investments are valued continuously and for this reason, cost of sales equals sales revenue when investments are sold. Revaluations are credited directly to the equity after deducting a provision for potential deferred capital gains tax (where applicable). When Shares, securities and other investments are disposed of, the balance in the equity relating to the disposed investment is transferred to the profit or loss.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. They are carried at an amortised cost. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Share-based payments

Share-based compensation benefits are provided to non-executive directors, share subscribers and certain advisors who refer investors. Information relating to these schemes is set out in note 18.

The fair value of options granted is recognised as a director fee and advisor fee expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the non-executive directors/advisors become unconditionally entitled to the options.

The fair value at grant date is determined by the company using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

(i) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

If the entity reacquires its own equity instruments, eg as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

1. Summary of significant accounting policies *(continued)*

(j) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(k) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

The GST incurred on the costs of various services provided to the company by third parties such as audit fees, custodial services and investment management fees have been passed onto the company. The company qualifies for Reduced Input Tax Credits

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(l) Rounding of amounts

The company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in the financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(m) New accounting standards and interpretations

Except for AASB 8, operating segments which the company has early adopted, certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2007 reporting periods. The company's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 7 Financial Instruments: Disclosures and AASB 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038] AASB 7 and AASB 2005-10 are applicable to annual reporting periods beginning on or after 1 January 2007. The company has not adopted the standards early. Application of the standards will not affect any of the amounts recognised in the financial statements, but will impact the type of information disclosed in relation to the company's financial instruments.

1. Summary of significant accounting policies *(continued)*

(ii) AASB 8 Operating Segments and ASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1026 & AASB 1038] AASB 8 and ASSB 2007-3 are applicable to annual reporting periods beginning on or after 1 January 2009. The company has adopted these standards early. The company is not required to comply with AASB 114 Segment Reporting.

(iii) AASB 101 Presentation of Financial Statements (Revised)
AASB 101 (Revised) is applicable to annual reporting periods beginning on or after 1 January 2007. The company has not adopted this standard early. Application of this standard will not affect any of the amounts recognised in the financial statements.

(n) Comparative figures

Comparative figures are for the period 13 January 2005 to 30 June 2006.

2. Financial risk management

The company's activities expose it to a variety of financial risks; market risk, liquidity risk, cash flow and interest rate risk and credit risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company.

(a) Market risk

Investors' returns may be adversely affected by fluctuations in general economic and market conditions, including market volatility, movements in interest rates, domestic and international economic conditions, which generally affect business earnings, political events, war, natural events and changes in government, monetary policies, taxation and other laws and regulations.

These factors may affect the company to the extent that an investment held by an underlying fund, to which it may have exposure, may be affected by some of these factors.

(b) Liquidity risk

As the company is not presently listed on an exchange, there is currently no mature secondary market for trading shares. The company will however, subject to the directors determining that it is in the best interests of shareholders to do so, offer periodic buy-back opportunities for investors.

The underlying funds will be illiquid because, unlike listed entities, there is no secondary market for private unlisted investments.

The investment manager will look to mitigate this risk by facilitating a matching service between security holders seeking to sell their securities in the company and other security holders of the company at that time.

2. Financial risk management *(continued)*

(c) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The company has no significant direct exposure to interest bearing assets. It does however have an indirect exposure to changes in market interest rates through its investment in the AMP Capital Enhanced Yield Fund.

(d) Counterparty risk

Losses could be incurred if a counterparty failed to deliver on its contractual obligations, or experience financial difficulties. For this reason, the company only engages with counterparties of substantial net worth and high credit ratings at the time of entry.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

Share-based payments transactions

The company measures the cost of equity-settled transactions with non-executive directors and certain advisors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the company using the Black Scholes model. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(b) Critical judgements in applying the entity's accounting policies

Classification and valuation of investments

The company classified investments in listed and unlisted securities as 'available -for-sale' investments and movements in fair value are recognised directly in equity. The fair value of listed shares has been determined by reference to published price quotations in an active market. The fair values of unlisted private equity investments not traded in an active market are determined from the most recent valuation as obtained from the underlying investment manager.

4. Revenue and income

	Year ended 30 June 2007 $'000	Period ended 30 June 2006 $'000
Interest	**220**	81
Distributions from interest in private equity investments and managed funds	**1,945**	-
Realised gain on sale of investments	**9**	-
	2,174	81

5. Income tax expense

	Year ended 30 June 2007 $'000	Period ended 30 June 2006 $'000
(a) Income tax expense		
Current tax	**94**	(3)
Deferred tax	**(24)**	4
	70	1
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease (increase) in deferred tax assets (note 8)	**(24)**	4
	(24)	4
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	**479**	2
Tax at the Australian tax rate of 30% (2006 - 30%)	**144**	1
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-taxable investment gains	**(14)**	-
Imputation/foreign tax credits	**(36)**	-
Other items	**(24)**	-
	70	1

6. Current assets - Trade and other receivables

	At 30 June 2007 $'000	At 30 June 2006 $'000
Investments receivable	**49**	-
Interest receivable	**3**	12
Prepayments	**5**	-
Distributions receivable from interest in private equity investments	**7**	-
GST recoverable	**9**	-
	73	12

7. Non-current assets - Available-for-sale financial assets

	At 30 June 2007 $'000	At 30 June 2006 $'000
At beginning of year/period	**-**	-
Additions	**30,701**	-
Disposals (sale and redemption)	**(2,686)**	-
Revaluation surplus/(deficit) transferred to equity (Note 11)	**(806)**	-
At end of year/period	**27,209**	-

	At 30 June 2007 $'000	At 30 June 2006 $'000
Unlisted private equity funds and managed fund investments	**27,209**	-
	27,209	-

Private equity investments are valued according to the most recent valuation obtained from the underlying manager.

8. Non-current assets - Deferred tax assets

	At 30 June 2007 $'000	At 30 June 2006 $'000
The balance comprises temporary differences attributable to:		
Tax losses	**7**	-
Other	**13**	(4)
Net unrealised loss on availiable-for-sale financial assets	**242**	-
Net deferred tax assets	**262**	(4)
Movements:		
Opening balance	**(4)**	-
Credited/(charged) to the income statement (note 5)	**24**	(4)
Credited/(charged) to equity	**242**	-
Closing balance at 30 June	**262**	(4)

9. Current liabilities - Trade and other payables

	At 30 June 2007 $'000	At 30 June 2006 $'000
Investment manager's fees payable	**35**	-
Custody fees payable	**8**	-
Audit and taxation fees payable	**67**	-
Applications for shares pending	**673**	3,157
Other payables	**14**	27
	797	3,184

10. Contributed equity

	At 30 June 2007 Number ('000)	At 30 June 2006 Number ('000)	At 30 June 2007 $'000	At 30 June 2006 $'000
(a) Share capital				
Ordinary shares				
Fully paid	**28,166**	-	**27,714**	-
Share subscriber option reserve	**7,042**	-	**146**	-
	35,208	-	**27,860**	-

10. Contributed equity *(continued)*

(b) Movements in ordinary share capital:

Date	Details	Number of shares ('000)	$'000
1 January 2005	Opening balance	-	-
	Issue of ordinary shares	-	-
30 June 2006	Balance	-	-
1 July 2006	Opening balance	-	-
	Shares issued in lieu of advisor referral fees	306	-
	Shares issued as capitalised interest	96	96
	Issue of ordinary shares	27,764	27,764
30 June 2007	Balance	28,166	27,860

(c) Movements in share subscriber options reserve:

Date	Details	Number of shares ('000)	$'000
1 January 2005	Opening balance	-	-
	Issue of share subscriber options	-	-
30 Jun 2006	Balance	-	-
1 July 2006	Opening balance	-	-
	Issue of share subscriber options	7,042	146
30 June 2007	Balance	7,042	146

(d) Ordinary shares

Ordinary shares entitle the holder to participate equally in the distributions of the assets on winding up of the company in proportion to the amount of capital paid up.

Each share has the right to cast a vote in any meeting of shareholders.

(e) Options

Information relating to the company's Option Plans, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in note 18.

11. Reserves and retained profits

	At 30 June 2007 $'000	At 30 June 2006 $'000
(a) Reserves		
Available-for-sale reserve	**(564)**	-
Share-based payments reserve	**3**	-
	(561)	-

	At 30 June 2007 $'000	At 30 June 2006 $'000
Movements:		
Available-for-sale reserve		
Opening balance	**-**	-
Revaluation - gross (note 7)	**(806)**	-
Deferred tax (note 8)	**242**	-
Balance 30 June	**(564)**	-

	At 30 June 2007 $'000	At 30 June 2006 $'000
Movements:		
Share-based payments reserve		
Opening balance	**-**	-
Option expense	**3**	-
Balance 30 June	**3**	-

(b) Retained profits

Movements in retained profits were as follows:

	At 30 June 2007 $'000	At 30 June 2006 $'000
Opening retained earnings	**1**	-
Profit for the year/period	**409**	1
Balance 30 June	**410**	1

11. Reserves and retained profits *(continued)*

(c) Nature and purpose of reserves

(i) Available-for-sale

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve net of tax, as described in note 1(f). Amounts are recognised in profit and loss when the associated assets are sold or impaired.

(ii) Share-based payments reserve

The share based payments reserve is used to recognise the fair value of options issued to non-executive directors and advisors.

12. Dividends

	Year ended 30 June 2007 $'000	Year ended 30 June 2006 $'000
(a) Dividends not recognised at year end		
Since year end the directors have recommended the payment of a final dividend of 1 cent per fully paid ordinary share, (2006 - nil) fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 12 November 2007 out of retained profits at 30 June 2007, but not recognised as a liability at year end, is $281,660.	**282**	-
	282	-

(b) Franked dividends

The franked portions of the final dividends recommended after 30 June 2007 will be franked out of existing franking credits or out of franking credits arising from the payment of income tax in the year ending 30 June 2007.

	At 30 June 2007 $'000	At 30 June 2006 $'000
Franking credits available for subsequent financial years based on a tax rate of 30% (2006 - 30%)	**121**	-
	121	-

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

(a) franking credits that will arise from the payment of the amount of the provision for income tax,
(b) franking debits that will arise from the payment of dividends recognised as a liability at the reporting date, and
(c) franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date.

The impact on the franking account of the dividend recommended by the directors since year end, but not recognised as a liability at year end, will be a reduction in the franking account of $120,711 (2006: $nil).

13. Key management personnel disclosures

(a) Directors

The following persons were directors and key management personnel of Vantage Private Equity Growth Limited during the financial year:

(i) Chairman - non-executive
Roderick H McGeoch

(ii) Executive directors
Michael Tobin, Managing Director
Niek Hoogenhout

(iii) Non-executive directors
Patrick Handley
Paul Scully

(b) Key management personnel compensation

	Year ended 30 June 2007 $	Year ended 30 June 2006 $
Short-term employee benefits	**387,109**	-
Post-employment benefits	**-**	-
Long-term benefits	**-**	-
Share-based payments	**1,925**	-
	389,034	-

Represented by non-executive directors fees and compensation for services rendered regarding the establishment of the company.

14. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor.

	Year ended 30 June 2007 $	Period ended 30 June 2006 $
(a) Audit services		
Ernst & Young		
Audit of financial reports	**50,000**	-
Total remuneration for audit services	**50,000**	-
Taxation services		
Ernst & Young		
Tax compliance services	**17,000**	-
Total remuneration for taxation services	**17,000**	-
Total remuneration	**67,000**	-

15. Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 13.

(b) Transactions with related parties

Under the Investment Management Agreement dated 25 January 2007, Vantage Asset Management Pty Limited was engaged as the investment manager ("the Manager") of the company.

The Manager is entitled to receive an investment management fee of 1.5% per annum (plus any applicable GST) of the value of the investment portfolio of the company, calculated and payable monthly in arrears. The fees paid for the year to the Manager were $243,244 (2006: nil).

The Manager is also entitled to a performance fee of 10% (plus any applicable GST) of any out-performance of the company's net investment portfolio over a 15% per annum hurdle rate or return. The performance fee calculation will also take into account any distributions made to shareholders during the calculation period. No performance fee has been accrued for the year ended 30 June 2007 (2006: nil).

The performance fee is first calculated on the sixth anniversary of the commencement date (1 November 2006) for the first six year period and then on 31 December of each year thereafter. No performance fee is payable prior to the expiry of 6 years from the commencement date. Once the first performance fee is paid, the performance fee will be calculated on a yearly basis thereafter.

As at 30 June 2007, the Manager held 2 shares in the company (2006:2 shares).

16. Events occurring after the balance sheet date

No significant events have occurred since balance date which would impact on the financial position of the company disclosed in the balance sheet as at 30 June 2007 or on the results and cash flows of the company for the year ended on that date.

17. Reconciliation of profit after income tax to net cash inflow from operating activities

	Year ended 30 June 2007 $'000	Period ended 30 June 2006 $'000
Profit for the year/period after tax	**409**	1
Realised gains on sale of assets	**(9)**	-
(Increase)/decrease in other receivables	**(12)**	(12)
Increase/(decrease) in trade and other payables	**97**	27
(Increase)/decrease in deferred tax assets	**(24)**	4
Increase/(decrease) in provision for income taxes payable	**94**	(3)
Net cash inflow/(outflow) from operating activities	**555**	17

18. Share-based payments and option plan

(a) Non-Executive Director Option Plan

As of the commencement date (1 November 2006) the company established a share option plan for each non-executive director of the company. The maximum number of options to be issued under the plan, in aggregate across all non-executive directors, will be 2.05% of the total dollar value of shares subscribed for by investors under the Information Memorandum dated 30 January 2006.

The options have and will be granted to the non-executive directors in four equal tranches across the first five years from the commencement date and will be exercisable between the end of the third and the end of the sixth year following the commencement date. Each non-executive director must be a current director of the company as at each option grant date to qualify for the granting of each option class.

Each director option is convertible into 1 ordinary share, and up to 7 business days after being exercised, will not give the holder a right to participate in dividends, attend or vote at meeting of the company, or participate in any new issue of shares, options or other securities. After 7 business days, the ordinary shares issued will then rank equally with existing ordinary shares in all respects.

Set out below are summaries of options granted under the plan:

	Option Class			
	1	2	3	4
% of total	25%	25%	25%	25%
Exercise price	$1.30	$1.60	$2.00	$2.50
Grant date (period after commencement date)	15 days	1 year	3 years	5 years
Period following grant date from which the options can be exercised	3 years	3 years	3 years	1 year
Period following grant date at the end of which the options expire	6 years	6 years	5 years	5 years

No options were exercised nor expired during the period from 1 July 2006 to 30 June 2007.

As of 30 June 2007, the Director Options (class1) issued to each Non Executive Director are as follows:

Non Executive Director	Total Director Options (Class 1) On Issue
Rod McGeoch	70,415
Pat Handley	26,645
Paul Scully	24,645
Total	119,706

Fair value of Director options granted
The charge to the income statement was $1,925.

18. Share-based payments and option plan *(continued)*

(b) Share Subscriber Option Plan

The company has also entered into a share subscriber option scheme on 1 November 2006 whereby the company issues one share subscriber option for every four ordinary shares held, to shareholders who subscribed for ordinary shares prior to the close of the offer in the Information Memorandum dated 30 January 2006.

Share subscriber options entitle the holder to subscribe for shares on the basis of one share for each share subscriber option, at any time between 4 and 7 years following the commencement date. The exercise price of each share subscriber option is $1.50.

Each share subscriber option is convertible into 1 ordinary share, and up to 7 business days after being exercised, will not give the holder a right to participate in dividends, attend or vote at meeting of the company, or participate in any new issue of shares, options or other securities. After 7 business days, the ordinary shares issued will then rank equally with existing ordinary shares in all respects.

As of 30 June 2007 there were 7,041,505 share subscriber options on issue (2006: nil) with a fair value of $146,435.

(c) Advisor Referral Option Plan

On 23 February 2007 the company entered into an advisor referral option plan. The total number of advisor referral options to be issued to each advisor will be 2% of the total dollar value of securities subscribed for by investors referred by that advisor in aggregate under the offer detailed in the Information Memorandum dated 30 January 2006 when the total application amounts by referred investors exceeds $5 million.

The advisor referral options are issued in consideration of the service by certain advisors to the company of the referral of investors willing to invest in the capital of the company. For the options to be granted, the total application amounts for securities applied for by the referred investors must exceed $5 million. No monies are payable for the issue of the advisor referral options.

Each advisor referral option is convertible into 1 ordinary share, and up to 7 business days after being exercised, will not give the holder a right to participate in dividends, attend or vote at meeting of the company, or participate in any new issue of shares, options or other securities. After 7 business days, the ordinary shares issued will then rank equally with existing ordinary shares in all respects.

As of 30 June 2007 there were 258,740 Advisor Referral Options on issue (2006: nil). The charge to the income statement was $694 during the year.

19. Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities as at 30 June 2007.

Since the commencement of its investment program in late 2006, the company has committed $24 million across four private equity funds. Commitments made as at 30 June 2007 include $8 million to each of Archer Capital Fund 4 and Quadrant Private Equity No. 2 and $4 million to each of Advent V and Crescent Capital Partners III.

20. Other expenses

	Year ended 30 June 2007 $'000	Period ended 30 June 2006 $'000
Accounting fees	**10**	-
Director's fees	**105**	-
Legal fees	**84**	-
Registry fees	**10**	2
Other expenses	**38**	4
Reimbursment of establishment costs paid by Vantage Asset Management Pty Limited on behalf of the company	**95**	-
	342	6

Directors' declaration

30 June 2007

In the directors' opinion:

(a) the financial statements and notes set out on pages 13 to 34 are in accordance with the *Corporations Act 2001*, including:

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

(ii) giving a true and fair view of the entity's financial position as at 30 June 2007 and of its performance for the financial year ended on that date; and

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

The declarations have been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001*.

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

On behalf of the Board

Roderick H McGeoch AM
Chairman

Michael Tobin
Managing Director

Sydney
29 October 2007

ERNST & YOUNG

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Independent auditor's report to the members of Vantage Private Equity Growth Limited

We have audited the accompanying financial report of Vantage Private Equity Growth Limited, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of recognised income and expense and cash flow statement 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.

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. In addition to our audit of the financial report, we were engaged to undertake the services disclosed in the notes to the financial statements. The provision of these services has not impaired our independence.

ERNST & YOUNG

Auditor's Opinion
In our opinion, the financial report of Vantage Private Equity Growth Limited is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the financial position of Vantage Private Equity Growth Limited at 30 June 2007 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*.

Ernst & Young

Ernst & Young

Daniel Cunningham

Daniel Cunningham
Partner
Sydney
Date: 29 October 2007

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Vantage Private Equity Growth Limited ACN 112 481 875

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