annual report

For the year ended 30 June 2013

Vantage Private Equity Growth Limited ACN 112 481 875

DIVERSIFY GROW OUTPERFORM

INVESTMENT MANAGER

vantage Asset Management

Corporate Directory

Directors

Roderick H McGeoch AO, LLB
Chairman (Non Executive)

Patrick Handley B.COM., MBA
Non Executive Director

Paul Scully BA, FIAA, FAICD
Non Executive Director

Michael Tobin B.E., MBA, DFS (FINANCIAL MARKETS)
Managing Director

Notice of Annual General Meeting

The annual general meeting of Vantage Private Equity Growth Limited

Will be held at	Corrs Chambers Westgarth L17, 8 Chiffley Square Sydney NSW 2000
Time	9.00am
Date	28 November 2013

Principal registered office in Australia

Level 25, Aurora Place
88 Phillip Street
Sydney NSW 2000

Auditors

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

Solicitors

Norton Rose Fullbright
Grosvenor Place
225 George Street
Sydney NSW 2000

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Directors' Report

Your directors of Vantage Private Equity Growth Limited ('VPEG') present their report on the company for the year ended 30 June 2013.

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, unless otherwise stated:

Roderick H McGeoch AO (Non Executive Chairman)

Patrick Handley (Non Executive Director)

Paul Scully (Non Executive Director)

Michael Tobin (Managing Director)

Principal activity

The principal activity of the company is the investment in professionally managed private equity funds focused on investing in the later expansion and buyout stages of private equity in Australia.

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.

As at 30 June 2013 the company held investment commitments in seven private equity funds managed by top performing Australian equity fund managers.

Company Performance Highlights For FY13

- Four new underlying company investments added to the portfolio
- Five underlying company investments sold, delivering VPEG 2.82 X original investment into those companies
- Income received from underlying private equity funds up by 38.5% to $5.855m
- Total Income up by 26.3% to $6.290m
- Net Profit after tax up by 107% to $4.587m
- Retained Earnings up by 112% to $5.323m
- Total Shareholder return during FY13 of 10.6%
- New fully franked dividend declared for FY13, up by 18%, to 5.9c per share, to be paid on 18 November 2013
- In addition, a Return of Capital to Shareholders of 9c per share has also been recommended by the Board (Subject to Shareholder approval at the AGM on 28 November 2013)

Dividends

Since the end of the financial year the Directors have recommended the payment of a final fully franked dividend of $2,087,010 (5.9 cents per share) to be paid on 18 November 2013, to shareholders of the company, out of retained earnings at 30 June 2013.

During the financial year ended 30 June 2013, the Company paid dividends totalling $ 1,768,653.

Economic Conditions across FY13

The September quarter of 2012 commenced with the news that conditions in the big advanced economies had stabilised after the softening in growth that took place late in 2011. Central bank policy stimulus in the US, Euro-zone and also Japan had helped lift confidence in financial and commodity markets, reducing fears of Eurozone collapse and continued slowing in the US.

In Australia, the Reserve Bank (RBA) resumed cutting interest rates with the cash rate falling to 3.25% from 3.5%. The RBA highlighted the need to boost non-mining demand as the mining boom slowed.

Global economic conditions improved slightly over the December quarter of 2012 compared to earlier in the year. Asset prices in advanced economies benefitted from further easing of monetary policy and the belief that some risks to the global economy had waned. Following the US election, negotiations over the pre-programmed fiscal contraction ('Fiscal Cliff') dominated the second half of the quarter. In Australia, the Reserve Bank of Australia's (RBA) outlook for non-mining investments remained subdued, while investment in the resource sector was nearing its peak. This, coupled with inflation around trend and a softer labour market, prompted the RBA to further ease its stance on monetary policy. Following a 0.25% rate cut in October, the RBA Board left the cash rate on hold during November but cut the rate another 0.25% to 3% in December. The December cut was in response to the further decline in economic growth.

Globally the March quarter saw some improvement in hard economic data. Economic developments were positive with the Chinese economy stabilising, the new Japanese government planning economic measures to boost the economy and combat deflation, and the US averting most of its planned fiscal consolidation. However, Europe's instability continued with political unrest in Italy and calls for the resignation of Spain's Prime Minister. The world also watched the Cypriot government succumb to the demands of European lenders. In Australia, the RBA revised its forecasts for 2013 which included a modest softening in projections for GDP growth and near term inflation. It also resisted a further lowering of the official cash rate despite modest private consumption growth for the quarter and subdued investment outside the resource sector.

Despite positive improvements in financial markets in the June quarter of 2013, growth forecasts remained largely unchanged, or even lower. Central Banks continued to try to spur growth with further monetary easing worldwide taking place over the quarter. In Australia, with substantial hits to forecast revenue, the Government handed down its budget deferring the return to surplus, introducing budget cuts and at the same time increasing spending on investment for the country. The Government increased spending to infrastructure, health and education while forecasting a $19.4 billion deficit for the 2012/2013 financial year. The strong Australian dollar had dented tax revenue, impacting the projected surplus.

Directors' Report

In its May meeting, the RBA cut its benchmark interest rate to a record low 2.75 per cent and after June cut the rate further by another 25bps. In its decision, the RBA noted that the strength of the Australian dollar was unusual given the decline in export prices and interest rates, and that the rate reduction should help the economy transition from resource-sector growth to non-mining sector growth. The RBA in its June meeting noted that further depreciation of the Australian dollar could help foster a rebalancing of growth in the economy. Although business confidence lifted marginally in June, it remained subdued, with the falling Australian dollar doing little to lift spirits as economists viewed domestic and global economic conditions to be weighing heavily on businesses.

Review of VPEG's Operations

Within VPEG's portfolio, the level of investment activity continued at a steady pace during the year with four new underlying investments and two significant follow on investments completed during FY13, compared with nine new investments and four follow on investments during FY12.

Additionally the opportunity for exits remained strong with listed & unlisted corporates globally continuing to look for opportunities to grow their businesses via expansion. In addition large global private equity funds were also on the lookout for exceptional businesses to acquire to expand their portfolios.

This was evidenced by the sale of two of Advent V's investees with GenesisCare sold to a large buyout private equity fund managed by KKR and Locker group sold to US-based Valmont Industries, Inc.. Archer also sold down their remaining take in listed company Funtastic and sold their Ausfuel business to Puma Energy, a subsidiary of Dutch independent commodity Trader Trafigura Beheer B.V. Finally during June 2013 Quadrant Private Equity No. 2 listed investee company Virtus Health into a public equity market hungry for new floats. The exits from VPEG's underlying portfolio during FY13 delivered a strong return on investment to VPEG.

In summary, despite slowly improving economic conditions continuing during the year, the opportunity for private equity to invest in or acquire businesses remained buoyant, as business owners sought capital to expand their core businesses at a time when significant bank lending continued to remain difficult to obtain for other than exceptional or private equity backed businesses.

Furthermore as VPEG's underlying investment portfolio continues to mature and deliver enhanced returns to their private equity owners, the attractiveness of those companies to purchasers continued to be enhanced. This was evidenced by the strong returns delivered to VPEG from the five exits completed during the period, which also provided a strong increase in distributions from VPEG's underlying Private Equity funds compared with all previous years.

Shares on Issue Remain Unchanged

In line with the changes to VPEG's Capital Management Policy reported in the 2009 Annual Report, no new capital was raised and the company issued no new shares during the year. As such the total number of shares on issue by the company remained at 35,373,054 as at 30 June 2013.

Increase in Underlying Private Equity Investments

During the year VPEG's Private Equity fund commitments remained unchanged with a total of $43 million committed across seven Private Equity funds as at the 30 June 2013. These commitments include, $8m to each of Archer Capital Fund 4, Catalyst Buyout Fund 2 and Quadrant Private Equity No. 2, $7m to Next Capital II and $4m to each of Advent V, Crescent Capital Partners III and Equity Partners Fund No. 3.

In summary, VPEG's Private Equity portfolio and commitments, as at 30 June 2013, were as follows:

Private Equity Fund Name	Fund Size	Vintage Year	Investment Focus	VPEG Commitment	Capital Drawn Down	Total No. of Investee Companies	No. of Exits
Advent V	$300m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$3.75m	8	4
Archer Capital Fund 4	$1,360m	2007	Mid Market Buyout	$8.0m	$7.12m	10	6
Catalyst Buyout Fund 2	$438m	2008	Mid Market Buyout	$8.0m	$5.22m	5	0
Crescent Capital Partners III	$400m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$3.90m	6	2
Equity Partners Fund No. 3	$76m	2007	Small Market Expansion / Buyout	$4.0m	$2.31m	5	1
Next Capital II	$285m	2008	Small to Mid Market Expansion / Buyout	$7.0m	$5.73m	7	0
Quadrant Private Equity No. 2	$500m	2007	Mid Market Expansion / Buyout	$8.0m	$7.02m	5	2
			Total	**$43.0m**	**$35.05m**	**46**	**15**

Due to continued investment activity by VPEG's underlying funds, the total value of funds drawn from VPEG into private equity investments during the year increased from $32.06 million at 30 June 2012 to $35.05 million at 30 June 2013 representing a 9.3% increase in drawn capital from VPEG across the year.

This resulted in the total number of underlying company investments that have been invested in by VPEG's underlying funds since inception, increasing from forty two to forty six during the period, with a number of additional "bolt on" acquisitions completed to increase the size of individual investments. In addition five underlying portfolio companies were sold during the period, resulting in a distribution of capital and income back to VPEG. As a result a total of thirty one portfolio companies remained within the portfolio at year end.

Directors' Report

New underlying Private Equity company investments completed during the year included;

- by Catalyst Buyout Fund 2
  - **Cirrus Media** (formerly Reed Business Information Australia) one of Australia's leading B2B publishers and information providers
- by Equity Partners 3;
  - **Amalgamated Hardware Merchants** a seller and distributor of mainly own branded gardening, camping, outdoor and home improvement products in Australia and New Zealand
- by Next Capital II;
  - **NZ Rental Group** (formally Hirepool) a New Zealand based equipment hire business
  - **Scottish Pacific Debtor Finance** a specialist provider of debtor finance services

In addition, a number of follow on investments were completed by or into a number of existing companies within the portfolio during the period, deploying further VPEG capital. In terms of size, the most significant of these included;

- Advent V investee, **Orionstone**, acquisition of additional shares
- Next Capital II investee, **GoBus**, acquisition of a Christchurch, New Zealand, based bus company

The table following provides a summary of the top ten underlying private equity investments in VPEG's portfolio, for which funds have been drawn from VPEG, as at 30 June 2013. As demonstrated in the table VPEG's top 10 investments represent more than 39% of VPEG's Net Asset Value at 30 June 2013.

Rank	Investment	Fund	Description	% of VPEG NAV*	Cumulative % of VPEG NAV*
1	Actrol	Catalyst Buyout Fund 2	Distributor of Refrigeration & Air-conditioning Parts & Equipment	6.7%	6.7%
2	Cover More	Crescent Capital Partners III	Provider of Travel Insurance & Emergency Care Services	5.7%	12.4%
3	Sentia Media	Quadrant Private Equity No. 2	International Media Services Business	4.1%	16.5%
4	Discovery Holiday Parks	Next Capital II	Caravan & Cabin Park Owner & Operator	4.0%	20.4%
5	Aero Care	Next Capital II	Outsourced Airport Services	3.7%	24.2%
6	Summerset Retirement Villages	Quadrant Private Equity No. 2	Owner & Operator of Retirement Villages in NZ	3.4%	27.6%
7	Integrated Packaging Group	Advent V	Manufacturer and Distributor of Packaging Products	3.2%	30.8%
8	Onsite Rentals	Next Capital II	Commercial Rental of Portable Buildings, Toilets & Access Equipment	2.9%	33.7%
9	Scottish Pacific	Next Capital II	Provider of Debtor Finance Services	2.9%	36.6%
10	Quick Service Restaurants Holdings	Archer Capital Fund 4	Chicken Fast Food Retailing	2.6%	39.2%

Complete Exits During FY13

During the year, five underlying company investments were completely sold from the portfolio, by their respective private equity funds. Complete exits that occurred during the period included;

In August 2012, VPEG investee Advent V sold its shares in **Genesis Care** to a fund managed by Kohlberg Kravis Roberts & Co. L.P. (KKR). The deal was struck at an enterprise value multiple of around 10 times forward earnings and KKR invested approximately $350m to take an ownership stake of more than 60 per cent in Genesis Care. The sale delivered Advent V investors, including VPEG, a top quartile IRR over the 3 year period of the investment, generating a 2.8 x money multiple for investors.

In August 2012, VPEG investee Archer Capital Fund 4 fully exited its minority shareholding in the listed group **Funtastic**.

Directors' Report

In February 2013 Archer Capital sold portfolio company **Ausfuel** to Puma Energy, a subsidiary of Dutch independent commodity Trader Trafigura Beheer B.V., in a deal that media reported was worth up to A$650 million. The sale delivered a strong return to Archer Capital Fund 4 investors including VPEG.

In February 2013, VPEG investee Advent V completed the sale of its investment in **Locker Group Holdings Pty Ltd** to US-based Valmont Industries, Inc. Valmont acquired 100% of the group, bringing Advent's return to 2.5 x the original investment.

In June 2013, VPEG investee, Quadrant Private Equity No. 2, exited investee company **Virtus Health Ltd** via a listing of its shares on the Australian Stock Exchange. Virtus shares began trading at A$6.01 on their first day of listing, well above the A$5.68 offer price set for the float, giving the company a market value of around A$485 million.

Quadrant sold 100% of its shareholding in Virtus into the float, due to strong investor demand for the company's shares, delivering Quadrant investors, including VPEG, a strong return on original capital invested into the company.

In summary the five exits from the portfolio during FY13 have delivered VPEG a weighted average 2.82 X return on investment into those companies across an average holding period of 4.6 years delivering a weighted average Internal Rate of Return (IRR) of 37% p.a.

Partial Exits During FY13

In addition to the full sale of underlying company investments detailed above, the partial sell down or recapitailsation of two other companies within the portfolio led to further returns to VPEG. The partial exits from the portfolio conducted during the period included that of Summerset Retirement Villages and HRV Group;

As reported in VPEG's 2012 Annual Report, on the 1st of November 2011, Quadrant Private Equity No. 2 completed the successful Initial Public Offering (IPO) of **Summerset Retirement Villages**. Quadrant initially retained a 55% holding in Summerset at IPO with the majority of their remaining holding sold down during FY13. The further sell down of the Summerset holdings delivered further strong returns to Quadrant Private Equity No. 2 investors, including VPEG.

In October 2012 VPEG investee, Equity Partners 3 (EP3), recapitalised investee company **HRV Group** a franchise-based provider of positive pressure home ventilation systems. This provided a distribution back to EP3 investors, including VPEG which was close to the full original investment cost into that company, while still maintaining the full equity position EP3 held at initial investment.

The partial exits of Summerset and HRV delivered VPEG an additional $1.9 million in cash distributions bringing total cash distributions, received from VPEG's underlying private equity funds, during the year to $9.02 million. From a tax perspective the cash distributions received were spread across; Income (franked), Capital Gain and Return of Capital.

Financial Performance of Company

During the year total income received by the company increased by 26.3% from $4.98 million in FY12 to $6.29m for FY13. The breakdown of income for FY13 compared with FY12 is shown in the table below.

SOURCE OF INCOME	FY13 $'000's	FY12 $'000's	% CHANGE OVER FY12
Interest on Cash & Term Deposits	435	752	-42.2%
Income Received From Underlying Private Equity Funds	5855	4228	38.5%
Total	**6,290**	**4,980**	**26.3%**

As detailed above, the contribution to total income from interest on cash and term deposits fell by 42.2% from $752k to $435k. The reason for the drop in income was due to a reduction in average total funds invested in cash and term deposits across the year, as more funds were invested into new private equity investments by VPEG. In addition during the period the rate of interest earned on VPEG's cash and term deposit investments also reduced as the RBA target cash rate reduced from 3.50% at 1 July 2012 to 2.75% as at 30 June 2013.

In contrast, as was the case last year, there was an increase in the level of income & capital distributions received from VPEG's underlying Private Equity investments which grew by almost 39% from $4.23m to $5.86m.

A further $3.2m in distributions were also received during the year from VPEG's underlying Private Equity funds in the form of return of capital, representing VPEG's share of the original investment made into each underlying company that were sold during the year.

VPEG's total funds invested in cash and term deposits increased by 26% across the period from $9.855m at 30 June 2012 to $12.403 at 30 June 2012. The majority of the increase in these liquid investments occurred during the March 2013 to June 2013 period when $6.01m in cash distributions were received from VPEG's underlying private equity investments,.

As the value of exits from the underlying private equity portfolio exceeded the value of new investments added to the portfolio during the year there was a 7% decrease in the value of funds invested in underlying private equity investments from $28.82m to $26.75m.

The average interest rate earned on VPEG's cash and term deposits during the period was 4.18% p.a.. Once again the interest rates earned during the period by VPEG's investments outperformed the RBA cash rate which having reduced from 3.5% p.a. at 30 June 2012 to 2.75% p.a. at 30 June 2013 averaged 3.1% p.a. across the year.

Operational costs incurred by the company during the year increased slightly from $0.95m during FY12 (excl. impairment) to $0.99m for FY13. Furthermore there was no impairment expense incurred or booked for FY13.

Directors' Report

As a result of the high level of franked dividends received by VPEG within the distributions from underlying private equity funds during the year, VPEG's Income tax expense reduced by 34% from $1.087m for FY12 to $0.713m for FY13, representing an effective income tax rate for FY13 of 13.5%.

The resulting post tax profit for the company for the year was $4.587m, an increase of 107% above the $2.216m booked for FY12. Furthermore, Retained Earnings increased from $2.505m to $5.323m representing a 112% improvement.

As a result, due to the strength in the level of net profit and retained earnings of the company, the board recommended the payment of a final fully franked dividend of $2.087m (5.9 cents per share) to shareholders for the year ended 30 June 2013. This dividend will be paid to shareholders during November 2013.

Furthermore due to the receipt of the $3.2m in return of capital distributions resulting from the exits within VPEG's underlying private Equity portfolio, the board recommended the payment of a return of capital of $3.184m (9 cents per Share).

The return of capital component of the distribution will require VPEG Shareholder approval, in person or by proxy, at the VPEG AGM to be held on 28 November 2013. An explanatory notice and voting papers will be mailed to every shareholder in early November 2013. Once approval has been obtained at the VPEG AGM, the return of capital distribution payment will be made to shareholders during December 2013.

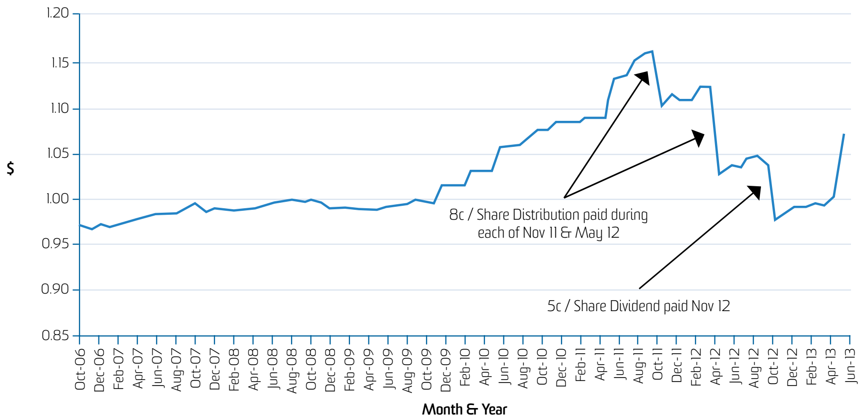
Change Post Tax NAV / Share

During the period the company's post tax Net Asset Value (NAV) per share increased from $1.035 to $1.073.

Taking into account the 5c per share fully franked dividend paid to Shareholders in November 2012, the improvement in total shareholder value across FY13 represented a gain of 10.6% p.a.

The graph following details the movement in VPEG's post tax NAV per share since commencement through to 30 June 2013

VPEG NAV / SHARE (POST TAX) - INCEPTION TO 30 JUNE 13



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 other matter or circumstance has arisen since 30 June 2013 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 its existing business operations as well as new investments made by VPEG's underlying private equity funds.

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 current directors

Roderick H McGeoch AO, LLB. Chairman (Non Executive)

Experience and expertise

Rod is the immediate past Chairman Emeritus of Corrs Chambers Westgarth, a leading Australian law firm and has significant board and advisory experience. His current board positions include; Chairman of BGP Holdings PLC, Director of Sky City Entertainment Group, Director of Ramsay Healthcare Limited and a Director of Destination NSW. Rod is also a Trustee of the Sydney Cricket and Sports Ground Trust. 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. In 2013 Rod was made an Officer of the Order of Australia (AO) for distinguished service to the community through contributions to a range of organisations and to sport, particularly through leadership in securing the Sydney Olympic Games.

Special responsibilities - Chairman of the Board and member of the Audit Committee.

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

Experience and expertise

Pat has over 30 years of international financial services experience and is currently the Executive Chairman of Mason Stevens Pty Limited. Pat was previously Chairman of Pacific Brands Ltd where he oversaw the turnaround of the company after it was purchased from Pacific Dunlop in a Management Buyout led by the Private Equity fund managers Catalyst and CVC Asia Pacific in 2001.

Pat was also 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), Chairman of Bridgeport Energy Limited and a Director of Suncorp Metway Limited, AMP Limited, HHG and Deputy Chairman of Babcock & Brown Capital Limited.

Special responsibilities - Chairman of the Audit Committee

Paul Scully BA, FIAA, FAICD. Non Executive Director

Experience and expertise

Paul has spent 30 years in financial services and has extensive local and international 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 its financial planning subsidiary State Super Financial Planning Australia. Paul has also been a Director of 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, both past ASX top 100 entities.

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, undertakes consulting assignments 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 25 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 40 separate private companies in Australia across a range of industry sectors. Michael holds a BE (UNSW), an MBA (AGSM) and a Diploma of Financial Services (AFMA).

Special responsibilities - Managing Director, Company Secretary and member of the Audit Committee

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 2013, and the number of meetings attended by each director were:

	Full Meetings of Directors		Meetings of Audit Committee	
	A	B	A	B
Roderick H McGeoch AO*	7	7	1	1
Patrick Handley*	7	7	1	1
Paul Scully*	7	7		
Michael Tobin	7	7	1	1

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 $16,608 (2012: $16,606) to insure the directors and secretary 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 the following page.

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.

This report has been made in accordance with a resolution of the directors.

Roderick H McGeoch AO
Chairman

Michael Tobin
Managing Director

Sydney
31 October 2013

Auditor's Independence Declaration

Building a better working world

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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 financial year ended 30 June 2013, 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

Daniel Cunningham
Partner
31 October 2013

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Statement of comprehensive income

For the year ended 30 June 2013

	NOTES	YEAR ENDED 30 JUNE 2013 $'000	YEAR ENDED 30 JUNE 2012 $'000
Revenue			
Revenue and income	5	**6,290**	4,980
Total Revenue		**6,290**	4,980
Expenses			
Investment manager's fees		**(577)**	(624)
Custody fees		**(16)**	(14)
Consulting fees		**(20)**	(1)
Other expenses	20	**(377)**	(309)
Impairment expenses		**-**	(729)
Total expenses		**(990)**	(1,677)
Operating profit before income tax		**5,300**	3,303
Income tax expense	6	**(713)**	(1,087)
Operating profit for the year after income tax expense		**4,587**	2,216
Other comprehensive income			
Net fair value movement on available for sale financial assets		**(2,141)**	(572)
Income tax on items of other comprehensive income		**642**	172
Other comprehensive change for the year, net of tax	13	**(1,499)**	(400)
Total comprehensive income for the year is attributable to:			
Equity holders of Vantage Private Equity Growth Limited		**3,088**	1,816

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

Statement of financial position

As at 30 June 2013

	NOTES	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $'000
Assets			
Current assets			
Cash and cash equivalents	7	**12,403**	9,855
Trade and other receivables	8	**105**	267
Financial assets at fair value through profit or loss		**-**	-
Total current assets		**12,508**	10,122
Non current assets			
Available for sale financial assets	9	**26,754**	28,819
Deferred tax asset	10	**108**	-
Total non current assets		**26,862**	28,819
Total assets		**39,370**	38,941
Liabilities			
Current liabilities			
Trade and other payables	11	**147**	147
Income tax payable		**1,271**	1,087
Total current liabilities		**1,418**	1,234
Non current liabilities			
Deferred tax liabilities	10	**-**	1,074
Total non current liabilities		**-**	1,074
Total liabilities		**1,418**	2,308
Net assets		**37,952**	36,633
Equity			
Contributed equity	12	**31,843**	31,843
Reserves	13(a)	**786**	2,285
Retained earnings	13(b)	**5,323**	2,505
Total equity		**37,952**	36,633

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

Statement of changes in equity

For the year ended 30 June 2013

	ASSET REVALUATION RESERVE $'000	SHARE BASED PAYMENTS RESERVE $'000	RETAINED EARNINGS $'000	ORDINARY SHARES $'000	TOTAL $'000
Balance at 1 July 2011	**2,671**	**14**	**2,119**	**35,673**	**40,477**
Profit for the year	-	-	2,216	-	2,216
Other comprehensive income	-	-	-	-	-
Asset Revaluation Reserve	(400)	-	-	-	(400)
Dividends provided for or paid	-	-	(1,830)	-	(1,830)
Total net assets for the year	**2,271**	**14**	**2,505**	**35,673**	**40,463**
Transactions with owners in their capacity as owners:					
Share based payment					
Return of capital	-	-	-	(3,830)	(3,830)
At 30 June 2012	**2,271**	**14**	**2,505**	**31,843**	**36,633**
Profit for the year	-	-	4,587	-	4,587
Other comprehensive income	-	-	-	-	-
Asset Revaluation Reserve	(1,499)	-	-	-	(1,499)
Dividends provided for or paid	-	-	(1,769)	-	(1,769)
Total net assets for the year	**772**	**14**	**5,323**	**31,843**	**37,952**
Transactions with owners in their capacity as owners:					
Share based payment					
Return of capital	-	-	-	-	-
At 30 June 2013	**772**	**14**	**5,323**	**31,843**	**37,952**

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

Statement of cash flows

For the year ended 30 June 2013

	NOTES	YEAR ENDED 30 JUNE 2013 $'000	YEAR ENDED 30 JUNE 2012 $'000
Cash flows from operating activities			
Interest received		**460**	857
Distributions received		**5,981**	6,473
Payment of other expenses		**(2,009)**	(1,332)
Net cash flows from operating activities		**4,432**	5,998
Cash flows from investing activities			
Purchase of available for sale financial assets		**(3,310)**	(5,624)
Proceeds from sale of available for sale financial assets		**3,195**	5,436
Net cash flows from investing activities		**(115)**	(188)
Cash flows from financing activities			
Dividends paid to company's shareholders		**(1,769)**	(1,830)
Return of capital paid to company's shareholders		**-**	(3,830)
Net cash flows from financing activities		**(1,769)**	(5,660)
Net increase/(decrease) in cash and cash equivalents		**2,548**	150
Cash and cash equivalents at the beginning of the financial year		**9,855**	9,705
Cash and cash equivalents at end of year	7	**12,403**	9,855

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

1 Corporate information

Vantage Private Equity Growth Limited ("the company") is an independent multi manager private equity investment company incorporated in Australia, established to provide investors access to the returns generated by the top performing later expansion and buyout private equity funds in Australia.

The nature of the operations and principal activities of the company are described in the Directors' Report.

The financial report of Vantage Private Equity Growth Limited for the year ended 30 June 2013 was authorised for issue in accordance with a resolution of the directors on 31 October 2013.

2 Summary of significant accounting policies

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

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001 in Australia.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

Historical cost convention

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

Critical accounting estimates and judgement

The preparation of financial statements in conformity with Australian Accounting Standards – Reduced Disclosure Requirements, 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 4.

Financial statement presentation

The company has applied the revised AASB 101 Presentation of Financial Statements which became effective on 1 January 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.

2 Summary of significant accounting policies (continued)

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 company 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.

(c) Income tax

The income tax expense or benefit for the year is the tax payable on the current year'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 between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred income tax is determined using the Balance Sheet method, being the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. 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. 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 end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2 Summary of significant accounting policies (continued)

(d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

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

Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, or available for sale financial assets. The classification depends on the purpose for which the investments were acquired or originated. Designation is re evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of assets not at fair value through profit or loss, directly attributable transaction costs.

Recognition and derecognition

All regular way purchases and sales of financial assets are recognised on the trade date i.e., the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the market place. Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or when the

2 Summary of significant accounting policies (continued)

entity transfers substantially all the risks and rewards of the financial assets. If the entity neither retains nor transfers substantially all of the risks and rewards, it derecognises the asset if it has transferred control of the assets.

Subsequent measurement

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

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term with the intention of making a profit. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on financial assets held for trading are recognised in profit or loss and the related assets are classified as current assets in the statement of financial position.

(ii) Loans and receivables

Loans and receivables including loan notes and loans to key management personnel are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired. These are included in current assets, except for those with maturities greater than 12 months after balance date, which are classified as non current.

(iii) Available for sale financial assets

Available for sale financial assets are those non derivative financial assets, principally equity securities, that are designated as available for sale or are not classified as any of the three preceding categories. After initial recognition available for sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair values of investments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business on the reporting date. For investments with no active market, fair values are determined using valuation techniques. Such techniques include: using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis; and option pricing models, making as much use of available and supportable market data as possible and keeping judgemental inputs to a minimum.

(iv) Reclassification of financial instruments at fair value through profit or loss

Financial assets that are no longer held for trading, other than those designated as fair value through profit or loss on initial recognition or derivatives, can be reclassified out of this category to the following categories:

2 Summary of significant accounting policies (continued)

(i) Loans and receivables – if the financial asset has fixed or determinable payments, are not quoted in an active market and contain no features which could cause the holder not to recover substantially all of its investment except through credit deterioration, and the intention is to hold them for the foreseeable future

(ii) Held to maturity – if the intention is to hold them to maturity and only in rare circumstances

(iii) Available for sale – only in rare circumstances.

Rare circumstances arise from a single event that is unusual and unlikely to recur in the near term.

For financial assets that have been reclassified out of the fair value through profit or loss category, the Group assesses on the date of the transfer whether the financial asset contains an embedded derivative. Where a financial asset contains an embedded derivative whose economic characteristics and risks are not closely related to those of the host instrument, the embedded derivative is separated and measured separately at fair value with changes in the fair value recognised in profit or loss. The assessment is to be made on the basis of the circumstances that existed on the later of:

* The date when the entity first became a party to the contract and,

* The date at which a change occurs in the terms of the contract that significantly modifies the cash flows that otherwise would have been required under the contract.

Where the fair value of the embedded derivative that would be separated on reclassification cannot be reliably measured, the entire hybrid financial instrument must remain classified as at fair value through 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. The amounts are unsecured and are usually paid within 30 days of recognition.

(h) Share based payments

Share based compensation benefits have in the past been provided to non executive directors, share subscribers as well as 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.

2 Summary of significant accounting policies (continued)

At each subsequent reporting date until vesting, the cumulative charge to profit or loss is the product of:

(i) the grant date fair value of the award;

(ii) the current best estimate of the number of awards that will vest; and

(iii) the expired portion of the vesting period.

The charge to profit or loss for the year is the cumulative amount as calculated above less the amounts already charged in previous periods. There is a corresponding entry to equity.

(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 company reacquires its own equity instruments, for example 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 profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

(j) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the company, 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 statement of financial position.

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.

2 Summary of significant accounting policies (continued)

(l) 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 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

Certain International and Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the company for the annual reporting period ended 30 June 2013. The directors have not early adopted any of these new or amended standards or interpretations. The directors have not yet fully assessed the impact of these new or amended standards (to the extent relevant to the company) and interpretations.

3 Financial risk management

The company's activities expose it to a variety of financial risks: market risk, liquidity risk, foreign exchange risk 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 and currency 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.

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

The company's exposure to the risk of changes in market rates is limited to the potential reduction of interest income on cash and cash equivalents

(b) Fair value hierarchy

The company has adopted the amendment to AASB 7, effective 1 July 2009. This requires the company to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2),and
- inputs for the asset or liability that are not based on observable market data (level 3)

3 Financial risk management (continued)

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. Private equity investments have been classified as level 2.

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 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 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 company 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 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.

5 Revenue and income

	YEAR ENDED 30 JUNE 2013 $'000	YEAR ENDED 30 JUNE 2012 $'000
Interest	**435**	752
Distributions from interest in private equity investments	**5,855**	4,228
	6,290	4,980

6 Income Tax Expense

	YEAR ENDED 30 JUNE 2013 $'000	YEAR ENDED 30 JUNE 2012 $'000
(a) Income tax expense		
Current tax	**1,253**	1,264
Deferred tax	**(540)**	(177)
	713	1,087
Deferred income tax expense/(benefit) included in income tax expense comprises:		
Increase/(decrease) in deferred tax (note 10)	**(540)**	(177)
	(540)	(177)
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax expense	**5,300**	3,303
Tax at the Australian tax rate of 30% (2012 - 30%)	**1,590**	991
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Other items	**(877)**	96
Aggregate income tax expense/(benefit)	**713**	1087

7 Current assets – Cash and cash equivalents

	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $'000
Cash at bank	**2,195**	2,855
Short term money market	**10,208**	7,000
	12,403	9,855

8 Current assets – Trade and other receivables

	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $'000
Interest receivable	**96**	120
Distributions receivable from interest in private equity investments	**6**	132
GST recoverable	**3**	15
	105	267

Fair value and credit risk

Due to the short term nature of the company's receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the company's policy to transfer (on sell) receivables to special purpose entities.

9 Non current assets - Available for sale financial assets

	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $'000
Unlisted private equity funds	**26,754**	28,819
	26,754	28,819

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

9 Non current assets - Available for sale financial assets (continued)

Valuation assumptions

The fair value of the unlisted available for sale investments has been estimated using valuation techniques based on assumptions, which are outlined in notes 2 and 3, that are not supported by observable market prices or rates. Management believes the estimated fair value resulting from the valuation techniques and recorded in the balance sheet and the related changes in fair value recorded in equity are reasonable and the most appropriate at the balance sheet date.

10 Deferred taxes

	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $'000
The balance comprises temporary differences attributable to:		
Other	**(8)**	(3)
Net unrealised gain/(loss) on available for sale financial assets	**116**	(1,071)
Net deferred tax (liabilities)/assets	**108**	(1,074)
Movements:		
Opening balance	**(1,074)**	(1,423)
Credited/(charged) to the statement of comprehensive income (note 6)	**540**	177
Credited/(charged) to equity (note 13)	**642**	172
Closing balance	**108**	(1,074)

11 Current liabilities – Trade and other payables

	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $'000
Investment manager's fees payable	**49**	47
Custody fees payable	**4**	4
Audit and taxation fees payable	**76**	76
Other payables	**18**	20
	147	147

11 Current liabilities – Trade and other payables (continued)

Fair value

Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

Interest rate, foreign exchange and liquidity risk

Detail regarding interest rate, foreign exchange and liquidity risk exposure is disclosed in note 3.

12 Contributed equity

	AT 30 JUNE 2013 NUMBER '000	AT 30 JUNE 2012 NUMBER '000	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $ '000
(a) Share capital				
Ordinary shares				
Fully paid	**35,373**	35,373	**31,697**	31,697
Share subscriber option reserve	**7,042**	7,042	**146**	146
	42,415	42,415	**31,843**	31,843

(b) Movements in ordinary share capital:

DATE	DETAILS	NUMBER OF SHARES ('000)	$'000
1 July 2011	Opening balance	35,373	35,673
	Return of Capital	-	(3,830)
30 June 2012	Balance	35,373	31,843
1 July 2012	Opening balance	35,373	31,843
	Return of Capital	-	-
30 June 2013	Balance	35,373	31,843

12 Contributed equity (continued)

(c) Movements in share subscriber options reserve:

DATE	DETAILS	NUMBER OF OPTIONS ('000)	$'000
1 July 2011	Opening balance	7,042	146
	Issue of share subscriber options	-	-
30 June 2012	Balance	7,042	146
1 July 2012	Opening balance	7,042	146
	Issue of share subscriber options	-	-
30 June 2013	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.

13 Reserves and accumulated losses/retained profits

	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $'000
(a) Reserves		
Available for sale reserve	**772**	2,271
Share-based payments reserve	**14**	14
	786	2,285
Movements:		
Available for sale investments revaluation reserve		
Opening balance	**2,271**	2,671
Net change on available-for-sale financial assets	**(2,141)**	(572)
Income tax on items taken directly to or transferred from equity (note 10)	**642**	172
Closing balance	**772**	2,271
Return on investments		
Distributions from interest in private equity investments (note 5)	**5,855**	4,228
Net change on available –for-sale financial assets	**(2,141)**	(572)
Total return during the year	**3,656**	3,714
Share based payments reserve		
Opening balance	**14**	14
Option expense	**-**	-
Closing balance	**14**	14

(b) Retained profits

Movements in accumulated losses/retained profits were as follows:

	AT 30 JUNE 2013 $'000	AT 30 JUNE 2012 $'000
Opening retained earnings	**2,505**	2,119
Profit for the year	**4,587**	2,216
Dividends	**(1,769)**	(1,830)
Closing balance	**5,323**	2,505

13 Reserves and accumulated losses/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 2(f) and accumulated in a separate reserve within equity. Amounts are reclassified to profit or 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.

14 Dividends

	YEAR ENDED 30 JUNE 2013 $'000	YEAR ENDED 30 JUNE 2012 $'000
Ordinary shares		
Dividend paid during the year ended 30 June Fully franked dividend paid during the year ended 30 June 2013 – 5 cents per share (for year ended 30 June 2012 – 5.2 cents per share)		
	1,769	1,830
	1,769	1,830

15 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 or since the end of the financial year and up to the date of this report, unless otherwise stated:

(i) Chairman - non-executive
Roderick H McGeoch

(ii) Non-executive directors
Pat Handley
Paul Scully

(iii) Executive directors
Michael Tobin, Managing Director

15 Key management personnel disclosures (continued)

(b) Key management personnel compensation

	YEAR ENDED 30 JUNE 2013 $	YEAR ENDED 30 JUNE 2012 $
Short term employee benefits	**174,988**	162,774
	174,988	162,774

Represented by non executive directors fees.

16 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 16.

(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 which includes cash and cash equivalents and investments of the company, calculated and payable monthly in arrears. The fees paid for the year to the Manager were $577k (2012: $624k).

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 2013 (2012: 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 2013, the Manager held 2 shares in the company (2012: 2 shares).

Terms and conditions of transactions with related parties

Purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms.

Outstanding balances at year end are unsecured, interest free and settlement occurs in cash.

16 Related party transactions (continued)

Also during August 2013, a superannuation fund entity associated with the Managing Director, Michael Tobin, completed the purchase of 50,000 ordinary shares from an existing shareholder who was seeking to sell down their shareholdings in the company. The purchase price per share was agreed during April 2013 as the post tax net asset value of the company at 31 March 2013 of $0.993 / share. Following external legal advice the board resolved to accept the transaction during May 2013.

17 Events occurring after the reporting period

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 2013 or on the results and cash flows of the company for the year ended on that date.

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, is 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 meetings 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 to be granted under the plan:

GRANT DATE	% OF TOTAL	EXERCISE PRICE	GRANT DATE (PERIOD AFTER COMMENCEMENT DATE)	PERIOD FOLLOWING GRANT DATE FROM WHICH THE OPTIONS CAN BE EXERCISED	PERIOD FOLLOWING GRANT DATE AT THE END OF WHICH THE OPTIONS EXPIRE
1	25%	$1.30	15 days	3 years	6 years
2	25%	$1.60	1 year	3 years	6 years
3	25%	$2.00	3 years	3 years	5 years
4	25%	$2.50	5 years	1 year	5 years

No options were exercised nor expired during the period from 1 July 2012 to 30 June 2013.

18 Share based payments and option plan (continued)

As of 30 June 2013, the Director Options (class 1) 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	121,705

Fair value of Director options granted

The charge to profit or loss was $0 during the year (2012: $0).

(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 meetings 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 2013 there were 7,041,505 share subscriber options on issue (2012: 7,041,505) with a fair value of $146,435 (2012: $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.

18 Share based payments and option plan (continued)

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 meetings 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 at 30 June 2013 there were 258,740 advisor referral options on issue (2012: 258,740). The charge to profit or loss was $0 during the year (2012: $0).

19 Contingent assets and liabilities and commitments

There are no outstanding contingent assets and liabilities as at 30 June 2013.

Since the commencement of its investment program in late 2006, the company has committed $43 million across 7 private equity funds. Commitments made as at 30 June 2013 include $8 million to each of Archer Capital Fund 4, Catalyst Buyout Fund 2 and Quadrant Private Equity No. 2, $7m to Next Capital II and $4m to each of Advent V, Crescent Capital Partners III and Equity Partners Fund No. 3.

20 Other expenses

	YEAR ENDED 30 JUNE 2013 $'000	YEAR ENDED 30 JUNE 2012 $'000
Professional Indemnity insurance	**18**	25
Director's fees	**175**	163
Auditor's fee	**65**	54
Other expenses	**119**	67
	377	309

Directors' declaration

30 June 2013

In accordance with a resolution of the directors of Vantage Private Equity Growth Limited, we state that:

In the directors' opinion:

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

  (i) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and

  (ii) giving a true and fair view of the company's financial position as at 30 June 2013 and of its performance for the financial year ended on that date;

(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.

On Behalf of the Board

Roderick H McGeoch AO
Chairman

Michael Tobin
Managing Director

Sydney
31 October 2013

Building a better working world

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

Report on the financial report

We have audited the accompanying financial report of Vantage Private Equity Growth Limited, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Act 2001* and for such internal controls as the directors determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the annual financial report.

Opinion

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

(a) giving a true and fair view of the financial position of Vantage Private Equity Growth Limited at 30 June 2013 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

Ernst & Young

Daniel Cunningham
Partner
Sydney
31 October 2013

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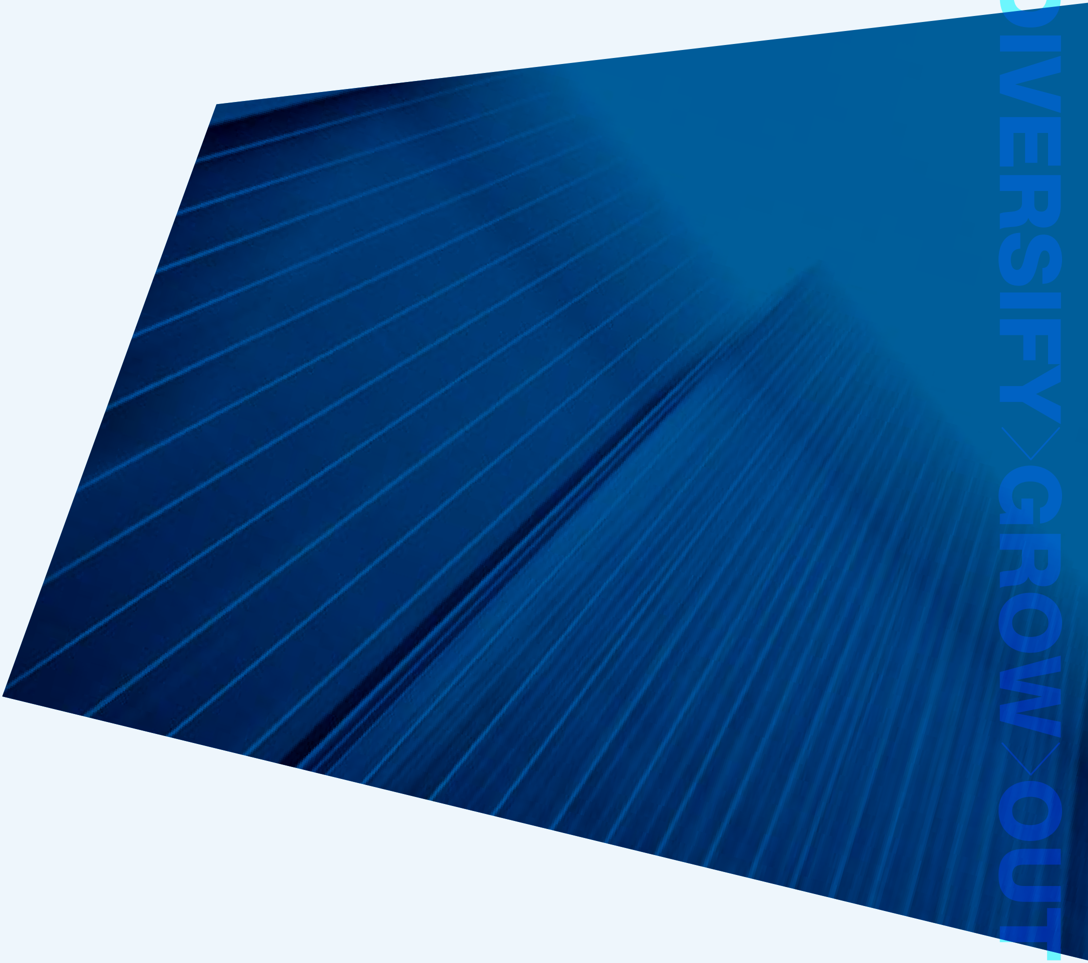

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