>DIVERSIFY>GROW>OUTPERFORM

Annual Report

For the year ended 30 June 2014

Vantage Private Equity Growth Limited

ACN 112 481 875

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 Chifley Square Sydney NSW 2000 *time* 10.00am *date* 28 November 2014
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 2014.

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 and New Zealand.

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 2014 the company held investment commitments in seven private equity funds managed by top performing Australian equity fund managers.

Company Performance Highlights For FY14

- Two new underlying company investments added to the portfolio
- Five follow on investments completed into existing portfolio companies to fund expansion
- Six underlying company investments sold, delivering VPEG 3.5 X original investment into those companies
- Income received from underlying private equity funds up by 54.2% to $9.031m
- Total Income up by 49.4% to $9.396m
- Net Profit after tax up by 38.5% to $6.354m
- Retained Earnings up by 20.3% to $6.406m
- Total Shareholder return during FY14 of 15.3%
- New fully franked dividend declared for FY14, up by 69%, to 10c per share, to be paid by 28 November 2014
- In addition, a Return of Capital to Shareholders of 7.4c per share has also been recommended by the Board (Subject to Shareholder approval at the AGM on 28 Nov 14)

Distributions

Since the end of the financial year the Directors have recommended the payment of a final distribution of $6,154,911 (17.4c per share) representing a fully franked dividend of $3,537,305 (10 cents per share) to be paid by 28 November 2014, to shareholders of the company, out of retained earnings at 30 June 2014 and an additional return of capital of $$2,617,606 (7.4c per share) to be paid by 15 December 2014 subject to shareholder approval.

During the financial year ended 30 June 2014, the Company paid cash distributions totalling $ 11,284,004 which included dividends totalling $5,270,585 (14.9c / share) and return of capital of $6,013,419 (17c / share). In addition franking credits totalling $2,258,822 (6.4c / share) were also distributed to shareholders during the year.

Economic Conditions across FY14

The September quarter of 2013, saw a slowly recovering global economy although the rate was very dependent on location. Interest rates remained at record low levels, and business confidence seemed to be improving. Consumer confidence was also higher than it had been the previous year and equity markets were also stronger.

Although expectations in Australia were pessimistic, the data releases for the early part of FY14 were slightly better than expected. For the year ended 30 June 2013, the economy grew at 2.6%, which was slightly higher than the 2.5% that had been forecast. This is, however, was below the long term trend of 3.25% and was not strong enough to sustain employment growth. The early FY14 unemployment statistics also came in better than expected at 5.6%, down from the prior level of 5.7% due, however, to a fall in the participation rate.

Despite the numbers being better than expected, the economy was described by several commentators as “sluggish”. Domestic demand was weak, consumer spending was soft and business confidence was low but improving. With the slowing of mining investment, the flow of capital going into other areas was not occurring as fast as was required.

The states of WA and Queensland, which had driven economic growth over the past few years, started to slow noticeably during the second half of 2013. Although interest rates remained at record lows (currently 2.5%), and possibly at the bottom of the cycle, they had done little to reduce the value of the currency.

While it did decline to US88c briefly in August 2013, it subsequently bounced back to US96.6 in late October 2013. As a result there was little room for further easing with interest rates where they are.

With ongoing uncertainty in the US, and Australia being one of the few countries that has an AAA rating, the currency remained a “safe haven” for investors. At these levels, manufacturing, inbound education and tourism found it difficult to compete in international terms.

With the federal election out of the way and the Coalition having a clear majority (in the lower house at least), expectations were that there should be greater political clarity after six years of a hung parliament. The expectation was also that the new government would be more credible economic managers than their predecessors and definitely more friendly towards business.

It was generally thought that Australia would experience two to three years of below average years of growth as the economy transitioned from its dependence on the mining and resources area.

Public equity markets toward the were in “bullish mode”. From its recent low point in late 2012 the All Ordinaries Index had risen by over 20% by early November 2013 to the point where new IPOs were taking place at a pace.

>DIRECTORS' REPORT

At the start of 2014, the economic outlook looked brighter than at any time since the onset of the global financial crisis. The general view on the Australian economy at this time was that growth would be below trend (3.25%), with most economists expecting a rate of around 2.5%. The construction phase of the mining boom had almost certainly peaked. The boom was dominated by six enormous LNG projects, all of which were running behind schedule and significantly ahead of budget. These factors had been responsible for investors delaying decisions about whether to go forward with any expansion of existing projects or commencement of new projects.

The impact of the mining boom clearly had a significant impact on the economy according to Bill Evans, who estimated that mining investment contributed a full 1% to GDP growth in the previous year. This year, with the slowdown, he estimates that it will actually represent a 25 basis point drag on the economy or a 1.25% turnaround. Resource export growth will be a positive offset to the decline in investment and he forecasts this will run at a contribution of 1.3% in 2014 (up from 1% in 2013).

This suggested that it was critical to rebalance the economy away from mining investment and into other areas such as non-mining investment, residential construction and consumer spending. Early in 2014 the demand for labour remained lacklustre with most commentators expecting unemployment to drift higher to around the 5.9% level.

Consumer confidence was almost certainly initially boosted by the change of government, and retail results at Christmas were probably better than forecast. Based on media releases, the Reserve Bank appeared nervous about further rate cuts on the basis that such action might well drive up house prices and create a credit driven housing boom.

Rather than this course of action, they appeared to have adopted a policy of talking the AUD down, and this certainly had quite a dramatic impact over the December 2013 quarter. During September 2013, the AUD was buying US95c, whereas by late December 2013 the exchange rate was at US87c representing 9% depreciation. Over the full 2013 year, the AUD fell by over 17% against the USD, which should be a positive in trading terms.

In terms of sector strength, mining, manufacturing and retail remained challenging, whereas the services sectors appeared to be improving. Construction and tourism were strengthening from a very low base. The depreciation of the AUD started to provide support for most sectors of the Australian economy.

With generally accommodative monetary policies and improving economies, confidence also returned to equity markets throughout the world. Similarly, investor confidence returned and individual investors and institutions were becoming more comfortable with risk by late December 2013. These conditions saw a record number of new private equity backed IPOs, most of which performed well in the after-market. Despite calls of impending doom and gloom from some observers, the IPO window seemed well and truly open for new business.

By the second quarter of the 2014 calendar year the outlook for world economic growth remained positive. This seemed to be driven by improved consumer confidence and a gradual recovery in the housing market.

While the medium term view was that the Australian economy would grow below trend (3.25%), the results received during the March 2014 quarter surprised on the upside. During the December 2013 quarter, the economy grew by 0.8%, which was ahead of consensus of 0.6%. This took the annual rate of growth to 2.8%. Exports remained strong and had a positive impact on the results, as did consumption, while a slowdown in investment offset some of the gains.

The stronger housing market had a positive impact on the statistics, both in terms of new construction and home prices. During the period, there was a rapid increase in residential building approvals, which on an annualised basis rose to 200,000 per annum. Home prices showed a similar rate of growth with prices increasing by over 16% since the bottom of the cycle in May 2012. Indeed the strength in the housing market, with Sydney growing at almost 16% per annum and Melbourne at almost 12% per annum, caused some commentators to talk of a "housing bubble".

The other March 2014 statistic that surprised on the upside related to the unemployment rate. It appeared that unemployment peaked in February at 6.1% and then fell sharply to 5.8% at the end of March.

The release of these better than expected statistics, while good for the government, had a less welcome impact on the currency. Since late March 2014 the AUD appreciated from just above USD 0.90 to as high as USD 0.94 in early April, before settling down to an end of April level of USD 0.93. While weakness in the USD almost certainly had some impact on this appreciation, the market is effectively saying that further interest rate cuts are now unlikely and indeed the next likely movement could be upwards.

There were also other encouraging signs beginning to emerge that non–mining related activity was picking up, albeit perhaps slower than the government would like. Levels of activity in the core mining areas of Western Australia and Queensland continued to be subdued, but activity in the Eastern states was improving, particularly in NSW and Victoria.

As we move into the first quarter of FY15 the outlook for world economic growth remained positive. As noted earlier, over the last two quarters of FY14 Australian economic growth results have surprised on the upside. In the December quarter the economy grew by 0.8%, while in the March quarter the growth was even stronger at 1.1%, bringing the growth rate to 3.5% for the 12 months. It is worth noting that the rate of growth for the March quarter was the highest in seven quarters. Equally Australia's economy was now growing more quickly than the US, the UK or New Zealand on an annualised basis.

Contributions to these better than expected results were from mining, financial and insurance services, as well as construction. In the mining industry volumes were up sharply, particularly in the area of iron ore exports.

Equity capital markets in Australia were essentially static during the June 2014 quarter however IPO activity remained buoyant with a number of Private Equity backed floats being finalised. There is no sign yet that the IPO window has or will close in the near term which is positive for VPEG's underlying portfolio as it progresses through to exit.

Conditions in the Australian private equity market remain buoyant with a number of new primary investments undertaken during the June quarter with even more activity in the bolt-on acquisition space. The area of exits remains the most buoyant with a number of IPOs and trade sales successfully completed.

The banking market for appropriately structured deals by sponsors is very much open for business. The relatively sedate new deal activity combined with the exits through trade sales and IPOs meant that the leverage books of all the major banks have been running off at an increasing rate. The appetite for new lending is therefore high and we expect to see pricing improve in the mid- market. The local banks have also seen increasing competition from offshore. A number of funds (including some of those within VPEG's underlying portfolio) have accessed the US Term Loan market to refinance existing borrowings and fund a capital return which is a positive sign of support for private equity backed investments and the refinancing of existing private equity companies moving through into FY15.

Review of VPEG's Operations

Within VPEG's portfolio, the level of investment activity continued at a steady pace during the year with two new underlying investments and five follow on investments completed during FY14, compared with four new investments and two follow on investments during FY13.

Additionally the opportunity for exits remained strong with listed & unlisted corporates as well as institutions globally continuing to look for opportunities to grow their businesses via expansion or enhance their portfolio of investments. In addition large global private equity funds were also on the lookout for exceptional businesses to acquire to expand their underlying portfolios. Public equity markets also remained a strong option for private equity backed company exits with the "IPO window" well and truly open for the public float and listing of well performing mid-sized companies.

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The strength of the exit markets for private equity backed deals was evidenced by the six completed exits and one partial exit from VPEG's underlying portfolio during FY14. Trade purchasers included ASX listed Reece Plumbing who purchased air conditioning parts business, Actrol from Catalyst Buyout Fund 2, in December 2013.

Financial sponsors were also active in purchasing from VPEG's underlying funds with Sunsuper acquiring Caravan and Cabin Park owner, Discovery Holiday Parks from Next Capital II in February 2014 and Archer Capital Fund 5 acquiring airport ground handling services business, Aero-Care also from Next Capital II in June 2014.

Finally, the public equity markets contributed to the buying of investments from VPEG's underlying portfolio, with the completion during FY14 of the sell down of shares in Summerset Retirement Villages, that were held by Quadrant Private Equity No. 2, following Summerset's IPO in November 2011. The public markets also purchased the majority of travel insurer, Covermore from Crescent Capital Partners III when it was listed in December 2013 as well as media monitors business, iSentia, when it too was floated by Quadrant Private Equity No. 2 on the ASX in June 2014.

The buoyant exit markets delivered another record year of investment returns and distributions to VPEG. The six exits from VPEG's underlying portfolio during FY14 delivered VPEG a weighted average **3.5 X return on investment** into those companies across an average holding period of 3.7 years representing a weighted average **Internal Rate of Return (IRR) of 40.6% p.a.**

So 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 for 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 six exits completed during the period, which also provided a record level of distributions from VPEG's underlying Private Equity funds to VPEG and ultimately to VPEG's shareholders, 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 2014.

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 2014. 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 2014, 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	$3.82m	8	4
Archer Capital Fund 4	$1,360m	2007	Mid Market Buyout	$8.0m	$7.24m	10	6
Catalyst Buyout Fund 2	$438m	2008	Mid Market Buyout	$8.0m	$5.72m	6	1
Crescent Capital Partners III	$400m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$3.90m	6	3
Equity Partners Fund No. 3	$76m	2007	Small Market Expansion / Buyout	$4.0m	$3.26m	6	1
Next Capital II	$285m	2008	Small to Mid Market Expansion / Buyout	$7.0m	$5.78m	7	2
Quadrant Private Equity No. 2	$500m	2007	Mid Market Expansion / Buyout	$8.0m	$7.03m	5	4
			Total	$43.0m	$36.75m	48	21

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 $35.05 million at 30 June 2013 to $36.75m at 30 June 2014 representing a 4.9% 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 six to forty eight during the period, with a number of additional "bolt on" acquisitions completed to increase the size of individual investments. In addition six 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 twenty seven portfolio companies remained within the portfolio at year end.

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

- by Catalyst Buyout Fund 2 in November 2013
  - **Heat to Eat Holdings** formed by the acquisition and merger of Vesco Food Holdings and Cook Freeze (trading as Prepared Foods Australia) both producers of frozen ready meals sold across Australia
- by Equity Partners 3 in August 2013;
  - **Tasman Market Fresh Meats** a specialty retailer of meat and complementary food products sold via a network of 15 "big-box" format destination stores in Victoria

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**, to provide additional working capital
- Equity Partners 3 investee, **Aussie Farmers Group**, to fund further expansion

The table below 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 2014. As demonstrated in the table VPEG's top 10 investments represent more than 37% of VPEG's Net Asset Value at 30 June 2014.

Rank	Investment	Fund	Description	% of VPEG NAV*	Cumulative % of VPEG NAV*
1	Home & Decor Holdings (Adairs & Dusk)	Catalyst Buyout Fund 2	Specialty Retail - Homewares	5.7%	5.7%
2	iSentia Media	Quadrant Private Equity No. 2	International Media Services Business	5.2%	10.9%
3	Healthe Care	Archer Capital Fund 4	Owner & Operator of Private Hospitals	5.2%	16.1%
4	GoBus	Next Capital II	Urban and School Bus Operator	3.9%	20.1%
5	Integrated Packaging Group	Advent V	Manufacturer and Distributor of Packaging Products	3.6%	23.7%
6	Scottish Pacific	Next Capital II	Provider of Debtor Finance Services	3.3%	27.0%
7	Quick Service Restaurants Holdings	Archer Capital Fund 4	Chicken Fast Food Retailing	2.8%	29.7%
8	Onsite Rentals	Next Capital II	Commercial Rental of Portable Buildings, Toilets & Access Equipment	2.7%	32.4%
9	Metro Glass	Cresent Capital Partners III	Value Added Glass Processing	2.4%	34.9%
10	Bhagwan Marine	Catalyst Buyout Fund 2	Offshore Transport Servicing the Oil & Gas Industries	2.4%	37.3%

Note; * VPEG pre tax Net Asset Value

Completed Exits During FY13

During the year, six underlying company investments were completely sold from the portfolio, by their respective private equity funds. Complete exits that occurred during the period are detailed below with the specific investment returns delivered to VPEG provided only where they have been publicly disclosed by the underlying fund manager.

During October 2013, **Quadrant Private Equity No. 2** completed the sale of all remaining shares it held in **Summerset Retirement Villages**. Quadrant had previously completed a successful Initial Public Offering of Summerset on the New Zealand Stock Exchange in November 2011 and had initially retained a 55% holding in Summerset at IPO with the remaining shares sold down over time until the stake was completely exited delivering a strong return to QPE2 investors including VPEG.

In December 2013 **Crescent Capital Partners III** sold the majority of their investment in portfolio company, **Cover-More**, following the company's $521.2 million IPO and subsequent listing on the Australian Stock Exchange. The IPO was priced at 23.1 times forecast 2014 pro forma net profit. Crescent Capital Partners III, sold the bulk of their shares into the IPO, reducing their equity holding in Cover-More from 82.7% pre IPO to 13% after the IPO. It is envisaged that the remaining shares held by Crescent will likely be sold down over time following voluntary escrow. The exit delivered another strong top quartile return to VPEG.

Also in December 2013 **Catalyst Buyout Fund 2** announced that a binding agreement had been reached for the sale of 100% of the shares in **Actrol** to listed plumbing group Reece, for $280 million. The sale was completed in late January 2014 with the net proceeds of the sale distributed to Catalyst Buyout Fund 2 investors including VPEG soon after, delivering a strong return to VPEG over it's original investment.

In February 2014, **Next Capital II** completed the sale of portfolio company **Discovery Holiday Parks**, excluding Discovery Parks Onslow, to Queensland-based industry fund, SunSuper. SunSuper previously owned 30% of Discovery and bought the remaining 70% of Discovery at an Enterprise Value of $240 million which represented an 8.5 X EBITDA. Next Capital II subsequently then regeared Onslow and distributed further proceeds to investors. The Discovery exit, the first from the Next Capital II fund, delivered Next II investors, including VPEG, > 2.5x multiple of money and an IRR of in excess of 38%, with further potential upside to flow from this residual interest in Onslow.

In May 2014 **Quadrant Private Equity No. 2** concluded the book build for an IPO for portfolio company, **iSentia** and raised $283.5m through the sale of 139m shares at $2.04 each. The sale price reflected 15 times 2015 forecast net profit of $27m giving iSentia a market capitalisation of $408m. QPE2, retained 50 million shares after the IPO, representing an approximate 25% post IPO holding. The post IPO shares will be escrowed until September 2015 when the 2015 results are released. The iSentia exit, delivered a strong, top quartile, return to QPE2 investors including VPEG.

In June 2014, **Next Capital II** sold portfolio company Aero-Care to Archer Capital Fund 5 for a media reported enterprise value of approximately $200m. The Aero-Care exit, delivered Next II investors, including VPEG, a 52% IRR on the base enterprise value, increasing to 54% IRR should the earn out amount be paid on achievement of agreed earnings in FY16.

In summary the six exits from the portfolio during FY14 have **delivered VPEG a weighted average 3.5 X return on investment into those companies** across an average holding period of 3.7 years, **delivering a weighted average Internal Rate of Return (IRR) of 40.6% p.a.**

Partial Exits During FY13

In addition to the sale or IPO of underlying company investments detailed above, the sell down of a number of investments by one other underlying portfolio company led to further returns to VPEG.

During the year **Quadrant Private Equity No. 2** investee, **Independent Pub Group** (IPG) sold four hotels from its pub portfolio reducing the number of hotels it owns from nineteen to fifteen. Pubs sold included the Exchange Hotel in Brisbane, The Seaford Hotel Freehold, the Kondari (Qld) and the Club Hotel land and buildings.

As a result of the six completed exits and the additional distributions received from IPG, a total of $14,481,600 in cash distributions were received from VPEG's underlying private equity funds, during the year. From a tax perspective the cash distributions received were spread across; Income, Dividends (franked), Capital Gain and Return of Capital.

Financial Performance of Company

During the year total income received by the company increased by 49.4% from $6.29m in FY13 to $9.4m for FY14. The breakdown of income for FY14 compared with FY13 is shown in the table below.

Source of Income	FY14 $'000's	FY13 $'000's	% Change over FY13
Interest on Cash & Term Deposits	365	435	-16.1%
Income Received From Underlying Private Equity Funds	9,031	5,855	54.2%
Total	**9,396**	**6,290**	**49.4%**

As detailed above, the contribution to total income from interest on cash and term deposits fell by 16.1% from $435k to $365k. 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 as well as distributions paid by VPEG to Shareholders. 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 2.75% as at 1 July 2013 to 2.50% on 7 August 2013 where it remained all year.

In contrast, as was the case last year, there was an increase in the level of income & capital gain distributions received from VPEG's underlying Private Equity investments which grew by 54.2% from $5.85m during FY13 to $9.03m for FY14.

A further $5.66m 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. This represented a 70% increase over the $3.2m in return of capital received by VPEG during FY13.

VPEG's total funds invested in cash and term deposits decreased by 19% across the period from $12.403 at 30 June 2013 to $10.02m at 30 June 2014. The decrease in these liquid investments resulted predominately from the funding of the two additional investments added to the underlying portfolio in late 2013.

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 16.4% decrease in the value of funds invested in underlying private equity investments from $26.75m to $22.38m.

The average interest rate earned on VPEG's cash and term deposits during the period was 3.4% p.a. Once again the interest rates earned during the period by VPEG's investments outperformed the RBA cash rate which having reduced from 2.75% p.a. at 1 July 2013 to 2.50% on 7 August 2013, where it remained and averaged 2.52% p.a. across the year.

Operational costs incurred by the company during the year decreased by 3.4% from $0.990m during FY13 to $0.956m for FY14. Furthermore there was no impairment expense incurred or booked for FY14.

As a result of the increased income and lower operational costs across FY14, VPEG's profit before tax grew by 59.2% from $5.3m for FY13 to $8.44m for FY14

In addition, due to the quantum of franking credits received with dividends received by VPEG from distributions from underlying private equity fund investments during the year, VPEG's Income tax expense was $2.086m, representing an effective income tax rate for VPEG for FY14 of 24.7%.

The resulting post tax profit for the company for the year was $6.354m, an increase of 38.5% above the $4.587m booked for FY13. Furthermore, Retained Earnings increased from $5.323m to $6.406m representing a 20.3% 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 $3,537,305m (10 cents per share) to shareholders for the year ended 30 June 2014. This dividend will be paid to shareholders during November 2014.

Furthermore due to the receipt of the $5.66m in return of capital distributions resulting from the exits within VPEG's underlying private Equity portfolio, the board recommended the payment of an additional return of capital to shareholders of $2,617,606m (7.4cents per Share)

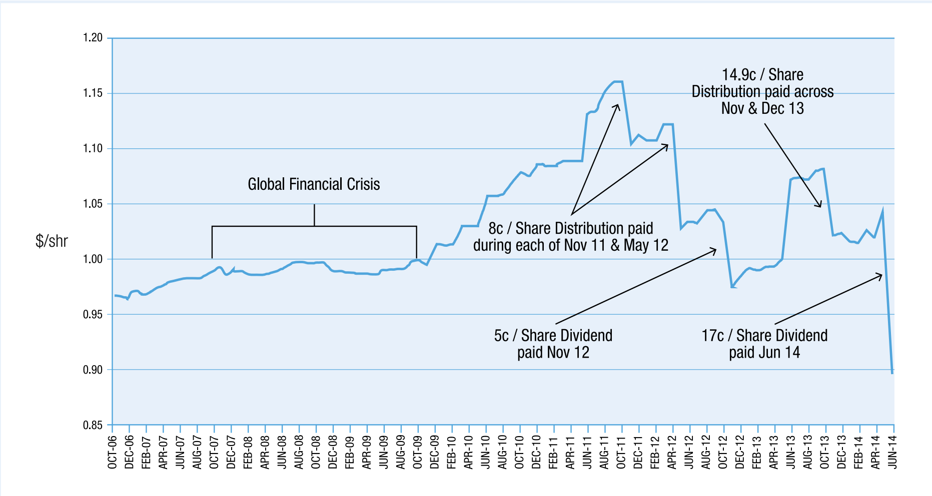
The return of capital component of the distribution will require VPEG Shareholder approval, in person or by proxy, at the VPEG AGM to be held on 28 November 2014. An explanatory notice and voting papers will be mailed to every shareholder in early November 2014. Once approval has been obtained at the VPEG AGM, the return of capital distribution payment will be made to shareholders during December 2014.

Change Post Tax NAV / Share

During the period the company's post tax Net Asset Value (NAV) per share decreased from $1.073 to $0.897.

Taking into account the 31.9c per share in cash distributions paid to Shareholders during FY14 and an additional 6.39c in franking credits also distributed, the improvement in total shareholder value across FY14 represented a gain of 15.3% p.a.

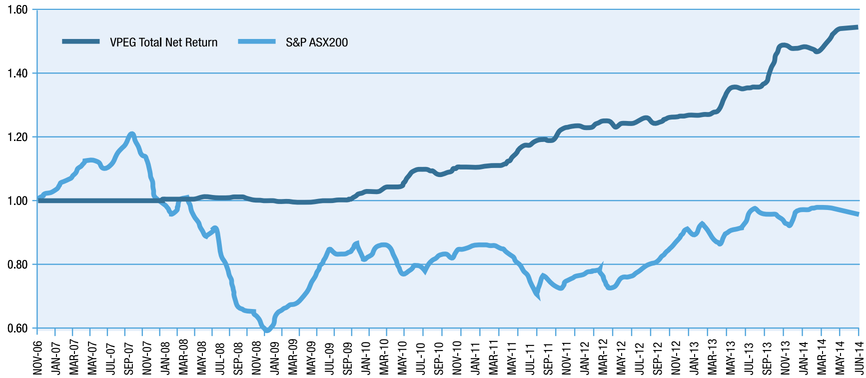
The graph below details the movement in VPEG's post tax NAV per share since commencement through to 30 June 2014.



VPEG's Net Return to Shareholders Outperforms Listed Markets

The chart below compares VPEG's Total Net Return to shareholders since inception through to 30 June 2014 to the performance of the ASX 200 Index. The chart demonstrates VPEG's outperformance and low correlation to public equity market returns.

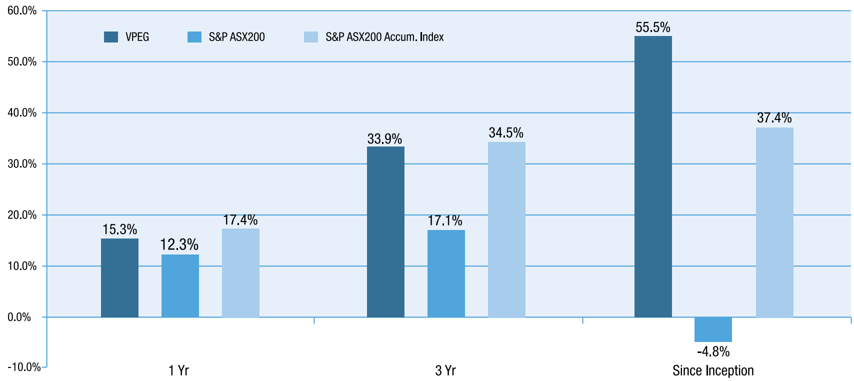
VPEG Total Net Return vs. S&P ASX 200 Index 01 Nov 06 to 30 Jun 14



Note; S&P ASX 200 Base = 1 at 01 Nov 2006, the commencement date of VPEG

The chart below compares VPEG's total net return to the S&P ASX 200 index and the S&P ASX 200 accumulation index (which includes the reinvestment of dividends) across one year, three years and since inception to 30 June 2014. The chart further demonstrates the strength of VPEG's performance versus listed markets and why investors globally seek out and maintain an allocation to this segment of the private equity asset class.

VPEG Net Return vs. Listed Markets Across 1Yr, 3 Yr & Since Inception to 30 June 14



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

A further two underlying portfolio companies have been exited since 30 June 2014 including; Metro Glass via IPO by Crescent Capital Partners III and GoBus via trade sale by Next Capital III. Details of these exits will be provided in the September 2014 quarterly report available on the company's website at www.vpeg.info during November 2014. The manager expects the number of exits from the underlying portfolio to continue in line with the rate of exits over the past year as the portfolio matures.

In the opinion of the directors, no other matter or circumstance has arisen since 30 June 2014 to the date of this report that otherwise 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 continued exits from VPEG's underlying private equity funds providing further distributions to VPEG's shareholders.

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 and Mediaworks Investments Limited and a Director of Ramsay Healthcare Limited and Destination NSW. Rod is also the Honorary Chairman of the Trans-Tasman Business Circle and the Co-Chairman of the Australia New Zealand Leadership Forum as well as Deputy Chairman of the Sydney Cricket and Sports Ground Trust. Rod was previously a Director of Sky City Entertainment Group (resigned 17 October 2014). Rod was also 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 2014 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 35 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, its financial planning subsidiary State Super Financial Planning Australia and the Investor Review Committees of the Australian Prime Property Funds. 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 2014, and the number of meetings attended by each director were:

	Full Meetings of Directors		Meetings of Committees Audit	
	A	B	A	B
Roderick H McGeoch AO*	6	6	1	1
Patrick Handley*	6	6	1	1
Paul Scully*	6	6		
Michael Tobin	6	6	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 $16,978 (2013: $16,608) 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 2014

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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 2014, 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
29 October 2014

Finance Report

>STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	NOTES	YEAR ENDED 30 JUNE 2014 $'000	YEAR ENDED 30 JUNE 2013 $'000
Investment income from ordinary activities	6	**9,396**	6,290
Expenses			
Management fees	19(b)	**(588)**	(577)
Custody fees		**(16)**	(16)
Consulting fees		**(21)**	(20)
Audit fees		**(63)**	(65)
Share registry fees		**(27)**	(23)
Directors' fees		**(177)**	(175)
Accounting fees		**(33)**	(28)
Other expenses		**(31)**	(86)
		(956)	(990)
Profit before income tax		**8,440**	5,300
Income tax expense	7	**(2,086)**	(713)
Net profit for the year		**6,354**	4,587
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of available for sale financial assets	14(a)	**(412)**	(2,141)
Income tax on items of other comprehensive income	14(a)	**124**	642
Other comprehensive loss for the year, net of tax		**(288)**	(1,499)
Total comprehensive income for the year		**6,066**	3,088

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

>STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	NOTES	YEAR ENDED 30 JUNE 2014 $'000	YEAR ENDED 30 JUNE 2013 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**10,020**	12,403
Trade and other receivables	9	**2,388**	105
Other current assets		**7**	-
Total current assets		**12,415**	12,508
Non-current assets			
Available for sale financial assets	4, 10	**22,376**	26,754
Deferred tax asset	11	**246**	108
Total non current assets		**22,622**	26,862
Total assets		**35,037**	39,370
LIABILITIES			
Current liabilities			
Trade and other payables	12	**169**	147
Current tax liabilities		**2,134**	1,271
Total current liabilities		**2,303**	1,418
Total liabilities		**2,308**	1,418
Net assets		**32,734**	37,952
Equity			
Issued capital	13(a)	**25,830**	31,843
Reserves	14(a)	**498**	786
Retained earnings	14(b)	**6,406**	5,323
Total equity		**32,734**	37,952

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 2014

	NOTES	ISSUED CAPITAL $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL EQUITY $'000
Balance at 1 July 2012		31,843	2,285	2,505	36,633
Net profit for the year		-	-	4,587	4,587
Other comprehensive income for the year					
Net fair value movement on available for sale financial assets (net of tax)		-	(1,499)	-	(1,499)
Total comprehensive income for the year		**-**	**(1,499)**	**4,587**	**(1,499)**
Transactions with owners in their capacity as owners:					
Dividends provided for or paid	15	-	-	(1,769)	(1,769)
Balance at 30 June 2013		**31,843**	**786**	**5,323**	**37,952**
Balance at 1 July 2013		31,843	786	5,323	37,952
Net profit for the year		-	-	6,354	6,354
Other comprehensive income for the year					
Net fair value movement on available for sale financial assets (net of tax)		-	(288)	-	(288)
Total comprehensive income for the year		**-**	**(288)**	**6,354**	**6,066**
Transactions with owners in their capacity as owners:					
Return of capital		(6,013)	-	-	(6,013)
Dividends provided for or paid	15	-	-	(5,271)	(5,271)
		(6,013)	-	(5,271)	(11,284)
Balance at 30 June 2014		(6,013)	-	-	(11,284)

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

>STATEMENT OF CASH FLOWS
AS AT 30 JUNE 2014

	NOTES	YEAR ENDED 2014 $'000	YEAR ENDED 2013 $'000
Cash flows from operating activities			
Distributions received		**6,727**	5,981
Interest received		**407**	460
Income taxes paid		**(1,236)**	-
Payment of other expenses		**(963)**	(2,009)
Net cash flows from operating activities	21	**4,935**	4,432
Cash flows from investing activities			
Payments for available for sale financial assets		**(1,700)**	(3,310)
Return of capital on investments		**5,666**	-
Proceeds from sale of available for sale financial assets		**-**	3,195
Net cash inflow/(outflow) from investing activities		**3,966**	(115)
Cash flows from financing activities			
Dividends paid to Company's shareholders	15	**(5,271)**	(1,769)
Return of capital paid to Company's shareholders		**(6,013)**	-
Net cash (outflow) from financing activities		**(11,284)**	(1,769)
Net (decrease)/increase in cash and cash equivalents		**(2,383)**	2,548
Cash and cash equivalents at the beginning of the financial year		**12,403**	9,855
Cash and cash equivalents at the end of the year	8	**10,020**	12,403

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

1 General information

Vantage Private Equity Growth Limited (the "Company") is a public company domiciled in Australia. The address of Vantage Private Equity Growth Limited's registered office is Level 25, Aurora Place, 88 Phillip Street, Sydney NSW, 2000. The financial statements of Vantage Private Equity Growth Limited are for the year ended 30 June 2014. 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 and New Zealand.

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 to all the years presented, unless otherwise stated. The financial statements are for the entity Vantage Private Equity Growth Limited.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Vantage Private Equity Growth Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements were authorised for issue by the directors on 31 October 2014.

(i) Compliance with Australian Accounting Standards - Reduced Disclosure Requirements

The financial statements of the Vantage Private Equity Growth Limited Company comply with Australian Accounting Standards - Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

(ii) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2013:

- AASB 10 Consolidated Financial Statements, AASB 11 *Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, AASB 128 Investments in Associates and Joint Ventures*, AASB 127 Separate Financial Statements and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards*
- AASB 13 *Fair Value Measurement* and AASB 2011-8 *Amendments to Australian Accounting Standards arising from AASB 13*

Change in accounting policy: consolidated financial statements and joint arrangements

AASB 10 Consolidated Financial Statements was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements and in Interpretation 112 Consolidation - Special Purpose Entities.

The Company has reviewed its investments in other entities to assess whether the conclusion to consolidate is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(ii) New and amended standards adopted by the Company (continued)

AASB 12 Disclosure of Interests in Other Entities requires entities to disclose significant judgements and assumptions made in determining whether the entity controls, jointly controls, significantly influences or has some other interests in other entities. The Company considers all investments in underlying unit trusts to be structured entities. The nature and extent of the Company's interest in these trusts is disclosed in Note Non-current assets - Available for sale financial assets Available for sale financial assets. The Company typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

CHANGE IN ACCOUNTING POLICY: FAIR VALUE MEASUREMENT

AASB 13 Fair Value Measurement aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards. The standard does not extend the use of fair value accounting but provides guidance on how it should be applied where its use is already required or permitted by other Australian Accounting Standards.

The Company has adopted AASB 13 Fair Value Measurement with effect from 1 July 2013. As a result, the Company has adopted a new definition of fair value, as set out below. The change had no material impact on the measurement of the Company's assets and liabilities. However the Company has included new disclosures in the financial statements which are required under AASB 13.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

(iii) Historical cost convention

These financial statements have been prepared under the accruals basis and are based on historical cost convention, as modified by the revaluation of available for sale financial assets at fair value.

(iv) Critical accounting estimates

The preparation of financial statements 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 5.

(b) Revenue recognition

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

(i) Investment income

Profits and losses realised from the sale of investments and unrealised gains and losses on securities held at fair value are included in the Statement of Comprehensive Income in the year they are incurred in accordance with the policies described in Note 2(f).

2 Summary of significant accounting policies (continued)

(b) Revenue recognition (continued)

(ii) Trust distributions

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

(iii) Interest income

Interest income is recognised using the effective interest method.

(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 applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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. Deferred income tax is also 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.

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 is recognised in profit or loss in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(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. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

2 Summary of significant accounting policies (continued)

(e) Trade and other receivables (continued)

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other 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.

(f) Investments and other financial assets

CLASSIFICATION

The Company classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and 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 and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables (note 9) and receivables in the Statement of Financial Position.

(ii) Available for sale financial assets

Available for sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available for sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long-term.

RECOGNITION AND DERECOGNITION

Purchases and sales of financial assets are recognised on trade-date - the date on which the Company commits to purchase or sell the asset. 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.

2 Summary of significant accounting policies (continued)

(f) Investments and other financial assets (continued)

When securities classified as available for sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are reclassified to profit or loss as gains and losses from investment securities.

MEASUREMENT

At initial recognition, the Company measures its financial assets and liabilities at fair value plus transaction costs directly attributable to acquisition of the asset.

After initial recognition, available for sale financial assets are measured at fair value with gains or losses being recognised in other comprehensive income then transferred to a Revaluation Reserve. When the investment is derecognised or determined to be impaired, the cumulative gain or loss previously reported in equity is recognised in profit or loss.

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Further details on how the fair value of financial instruments are determined are discussed in Note 4.

IMPAIRMENT

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(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. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(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 22.

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.

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

2 Summary of significant accounting policies (continued)

(h) Share based payments (continued)

(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) Issued capital

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.

Where the Company purchases its own equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of Vantage Private Equity Growth Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of Vantage Private Equity Growth Limited.

(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 reporting period but not distributed at the end of the reporting period.

(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 flows.

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 statements. Amounts in the financial statements 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 new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods and have not yet been applied in the financial statements. The Company's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 9 Financial Instruments (2009 or 2010 version)*, AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9*, AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*, AASB 2012-6 *Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures* and AASB 2013-9 *Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments* (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. The standard is not applicable until 1 January 2018 but is available for early adoption.

There will be no impact on the Company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Company does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The Company has not yet decided when to adopt AASB 9.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and price risk), credit risk and liquidity 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

The standard defines this as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Price risk

The Company is exposed to unlisted and illiquid securities' price risk. This arises from the investments held by the Company for which future valuation are uncertain.

(ii) 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.

3 Financial risk management (continued)

(a) Market risk (continued)

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) Credit risk

The standard defines this as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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.

(c) Liquidity risk

The standard defines this as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Maturities of financial liabilities

All liabilities of the Company in the current and prior year have maturities of less than one month.

4 Fair value measurements

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Available for sale financial assets

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

(a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy (consistent with the hierarchy applied to financial assets and financial liabilities):

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)

(b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2014.

4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
At 30 June 2014				
Recurring fair value measurements				
Financial assets				
Unlisted private equity funds	**-**	**22,376**	**-**	**22,376**
Total financial assets	**-**	**22,376**	**-**	**22,376**
At 30 June 2013				
Recurring fair value measurements				
Financial assets				
Unlisted private equity funds	-	26,754	-	26,754
Total financial assets	-	26,754	-	26,754

The Company classified investments in unlisted securities as 'available for sale' investments and movements in fair value are recognised in other comprehensive income and transferred to 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 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 unlisted securities as 'available for sale' investments and movements in fair value are recognised in other comprehensive income and transferred to 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.

6 Revenue

	YEAR ENDED 2014 $'000	YEAR ENDED 2013 $'000
From continuing operations		
Distributions	**9,031**	5,855
Interest	**365**	435
	9,396	6,290

7 Income tax expense

	NOTES	YEAR ENDED 2014 $'000	YEAR ENDED 2013 $'000
(a) Income tax expense/(benefit) through profit or loss			
Current tax expense		**2,100**	1,253
Deferred tax benefit		**(14)**	(540)
		2,086	713
Deferred income tax benefit included in income tax expense comprises:			
Increase in deferred tax	11	**(14)**	(540)
		(14)	(540)
(b) Numerical reconciliation of income tax expense to prima facie tax payable			
Profit before income tax		**8,440**	5,300
Tax at the Australian tax rate of 30% (2013 - 30%)		**2,532**	1,590
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Other items		**(446)**	(877)
Income tax expense		**2,086**	713

8 Current assets - Cash and cash equivalents

	2014 $'000	2013 $'000
Bank accounts	**2,749**	2,195
Short term money market	**7,271**	10,208
	10,020	12,403

9 Current assets - Trade and other receivables

	2014 $'000	2013 $'000
Distributions receivable	**2,310**	6
Interest receivable	**54**	96
GST receivable	**24**	3
	2,388	105

(a) Fair value and credit risk

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

Risk exposure

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of receivables mentioned above.

10 Non-current assets - Available for sale financial assets

	2014 $'000	2013 $'000
Unlisted private equity funds	**22,376**	26,754
	22,376	26,754

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

Valuation assumptions

The fair value of the unlisted available for sale investments has been estimated using valuation techniques based on inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. 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.

11 Deferred taxes

	2014 $'000	2013 $'000
The balance comprises temporary differences attributable to:		
Other	**5**	(8)
Net unrealised loss on available for sale financial assets	**241**	116
	246	108

11 Deferred taxes (continued)

	2014 $'000	2013 $'000
Movements:		
Opening balance	**108**	(1,074)
Charged/credited:		
- to statement of comprehensive income	**14**	540
- directly to equity	**124**	642
	246	108

12 Current liabilities - Trade and other payables

	2014 $'000	2013 $'000
Management fees payable	**46**	49
Custodian fees payable	**8**	4
Audit and taxation fees payable	**88**	76
Other payables	**27**	18
	169	147

Trade and other payables are unsecured and are usually paid within 30 days of recognition.

The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

13 Issued capital

(a) Share capital

	30 JUNE 2014 SHARES '000	30 JUNE 2013 SHARES '000	2014 $'000	2013 $'000
Ordinary shares - fully paid	35,373	35,373	**25,684**	31,697
Share subscriber option reserve	**7,042**	7,042	**146**	146
	42,415	42,415	**25,830**	31,843

13 Issued capital (continued)

(b) Movements in ordinary share capital

DATE	DETAILS	NUMBER OF SHARES '000	$'000
1 July 2012	Opening balance	35,373	31,843
	Return of capital	-	-
30 June 2013	Closing balance	35,373	31,843
1 July 2013	Opening balance	35,373	31,843
16 December 2013	Return of capital	-	(3,183)
30 June 2014	Return of capital	-	(2,830)
30 June 2014	Closing balance	35,373	25,830

(c) Movements in share subscriber options reserve

DATE	DETAILS	NUMBER OF SHARES '000	$'000
1 July 2012	Opening balance	7,042	146
	Issue of share subscriber options	-	-
30 June 2013	Closing balance	7,042	146
1 July 2013	Opening balance	7,042	146
	Issue of share subscriber options	-	-
30 June 2014	Closing balance	7,042	146

(d) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(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 22.

14 Reserves and retained earnings

	NOTES	2014 $'000	2013 $'000
(a) Reserves			
Available for sale investments revaluation reserve		**484**	772
Share-based payments reserve		**14**	14
		498	786
Movements:			
Available for sale investments revaluation reserve			
Opening balance		**772**	2,271
Net change on available for sale financial assets		**(412)**	(2,141)
Income tax on items taken directly to or transferred from equity	11	**124**	642
Closing balance		**484**	772
Return on investments			
Distributions	6	**9,031**	5,855
Net change on available for sale financial assets		**(412)**	(2,141)
Total return during the year		**8,619**	3,714
Share-based payments reserve			
Opening balance		**14**	14
Option expense	22	**-**	-
Closing balance		**14**	14

(b) Retained earnings

Movements in retained earnings were as follows:

Balance 1 July		**5,323**	2,505
Net profit for the year		**6,354**	4,587
Dividends	15	**(5,271)**	(1,769)
Balance 30 June		**6,406**	5,323

14 Reserves and retained earnings (continued)

(c) Nature and purpose of reserves

i Available for sale investments revaluation reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities,classified as available for sale financial assets, are recognised in other comprehensive income as described in Note 2(f) and accumulated in a separate reserve, net of tax, 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 grant date fair value of shares issued to non-executive directors and advisors

15 Dividends

a) Ordinary shares

	YEAR ENDED 2014 $'000	YEAR ENDED 2013 $'000
Dividend paid during the year ended 30 June		
Fully franked dividend paid during the year ended 30 June 2014 -		
14.9 cents per share (2013: 5 cents per share)	**5,271**	1,769
	5,271	1,769

16 Key management personnel disclosures

The specified directors of Vantage Private Equity Growth Limited during the financial year were:

Roderick H McGeoch AO	Chairman (Non Executive)
Patrick Handley	Director (Non Executive)
Paul Scully	Director (Non Executive)
Michael Tobin	Managing Director

(a) Key management personnel compensation

	YEAR ENDED 2014 $'000	YEAR ENDED 2013 $'000
Short-term employee benefits	**176,989**	174,988

Represented by non-executive directors fees.

17 Contingencies

The Company had no outstanding contingent assets and liabilities at 30 June 2014 (2013: nil).

18 Commitments

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 2014 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.

19 Related party transactions

(a) Key management personnel

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

(b) Transactions with other related parties

The following transactions occurred with related parties:

	YEAR ENDED 2014 $'000	YEAR ENDED 2013 $'000
Management fees paid or payable	**587,754**	576,759
Management fees payable at the end of the reporting period	**45,848**	48,615

The Company has entered into a Management Agreement with Vantage Asset Management Pty Limited such that it will manage investments of the Company, ensure regulatory compliance with all the relevant laws and regulations, and provide administrative and other services for a fee.

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 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 fees were paid or payable to Manager for the year ended 30 June 2014 (2013: nil).

As at 30 June 2014, the Manager held 2 shares in the Company (2013: 2 shares).

19 Related party transactions (continued)

(b) Transactions with other related parties (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.

(c) Terms and conditions

Transaction between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

20 Events occurring after the reporting period

No matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years.

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

	YEAR ENDED 2014 $'000	YEAR ENDED 2013 $'000
Profit for the year	**6,354**	4,587
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	**(2,283)**	151
(Increase) in other current assets	**(7)**	-
(Increase) in deferred tax assets	**(138)**	(108)
Increase in trade and other payables	**22**	53
Increase/(decrease) in provision for income taxes payable	**987**	(251)
Net cash inflow from operating activities	**4,935**	4,432

22 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.

22 Share-based payments and option plan (continued)

(a) Non-Executive Director Option Plan (continued)

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 granted under the plan:

Tranche	% of Total	Exercise Price	Grant data (period after commencement date)	Period following grant date from which the options can be exercised	Period following grant date from which the options can be exercised
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 during the year, however 64,231 tranche 1 options expired during the period from 1 July 2013 to 30 June 2014. Tranche 2 options detailed above are due to expire on 1 November 2014.

Fair value of options granted

The charge to profit or loss was $0 during the year (2013: $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 2014 there were 7,041,505 share subscriber options on issue (2013: 7,041,505) with a fair value of $146,435 (2013: $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 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 2014 there were 258,740 advisor referral options on issue (2013: 258,740). The charge to profit or loss was $0 during the year (2013: $0).

>DIRECTORS' DECLARATION
30 JUNE 2014

In the directors' opinion:

(a) the financial statements and notes set out on pages 22 to 44 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards - Reduced Disclosure Requirements, 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 2014 and of its performance for the 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.

Note 2(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Roderick H McGeoch AO
Chairman

Michael Tobin
Managing Director

Sydney
31 October 2014

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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 Limited, which comprises the statement of financial position as at 30 June 2014, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes compromising a summary of significant accounting policies and other explanatory notes 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 value 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 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, the auditor 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 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 as of 30 June 2014, and its performance for the year ended on that date; and
b) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the *Corporations Act 2001*.

Ernst & Young

Daniel Cunningham
Partner
29 October 2014


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