INVESTMENT MANAGER

vantage
Asset Management

2015

ANNUAL REPORT

VANTAGE PRIVATE EQUITY GROWTH LIMITED

ACN 112 481 875

DIVERSIFY. GROW. OUTPERFORM.

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	25 November 2015

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 Fulbright
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 2015.

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 2015 the company held investment commitments in seven Private Equity funds managed by top performing Australian equity fund managers.

Company Performance Highlights For FY15

> Five follow on investments completed into existing portfolio companies to fund expansion
>
> Three underlying company investments sold, delivering VPEG 3.4 X original investment into those companies
>
> Total Income of $5.481m
>
> Net Profit after Tax of $3.414m
>
> Total Distributions paid to Shareholders during FY15 of 17.4c per share
>
> Total Shareholder return during FY15 of 6.5%
>
> An additional Return of Capital distribution to Shareholders of 7c per share paid in July 2015
>
> A Fully franked dividend of 9.7c per share to be paid to Shareholders in November 2015

Distributions

Since the end of the financial year the Directors have recommended the payment of a final distribution of $3,444,901 (9.7c per share) representing a fully franked dividend to be paid by 24 November 2015, to shareholders of the company, out of retained earnings at 30 June 2015.

On the 12 June 2015 shareholders voted in favour of a 7c return of capital of $2,476,113 represented on the financial statements as a return of capital payable as at 30 June 2015. This was distributed to shareholders on 5 July 2015.

In addition, the Company paid cash distributions totalling $6,154,911 or 17.4c per share representing a fully franked dividend of $3,537,305 (10c / share) paid on 21 November 2014 and return of capital of $2,617,606 (7.4c / share) paid on 16 December 2014.

Economic Conditions across FY15

The key characteristics for global economic conditions during the second half of 2014 was low inflation, weak demand growth, and for Australia, a re-alignment of our economic cycle away from its traditional peers (in particular, the US). These global market conditions continued to impact on Australian companies manifesting in lower levels of top line growth.

Australia's economic growth during the second half of 2014 was around 2.5% which was below the long-term trend of 3.25% and very narrowly based upon the resource sector. Driven by resource sector export volumes, economic growth declined as commodity prices weakened in the second half of 2014. This meant that while Australia was producing more, the economy was earning less. During this period, iron ore prices had fallen to a decade low and some small Australian miners suspended operations. In addition, consumer and business sentiment remained subdued, impacting business investment and creating a deterioration in the labour market, which resulted in rising unemployment.

During this period, the Reserve Bank of Australia (RBA) consistently reiterated the need for the Australian dollar to be sustainably lower over the longer term to help re-balance the economy, given that the lower commodity prices were having little impact reducing the Australian dollar above its calculated fair value. Weaker commodity prices combined with slowing wages growth, confidence and currency, resulted in the RBA flexing their financial muscle over monetary policy and reducing interest rates in February and May of 2015. Both months saw interest rate cuts of 0.25% each, taking the cash rate down from 2.5% to a record low of 2%.

Another development impacting economic conditions in early 2015 was falling oil prices globally, which provided an overall boost to economic activity, positively impacting consumers and industry. The impact of the combined lower input costs such as energy and interest rates, in the shorter term, improved consumer confidence. The low interest rates acted to support borrowing and spending and growth in lending to the housing market with building approvals and house prices recovering overall. Although consumers responded positively to lower interest rates, the response from non-mining businesses continued to disappoint.

Fluctuations in equity markets were felt by those businesses associated with the respective developments in China regarding increased concerns over the sustainability in its growth as it transitions to a more market based economy. Greece's default on its sovereign debt repayments also negatively impacted global equity markets at this time. Further volatility in global equity markets also resulted from negative sentiment associated with the impending interest rate normalisation program, which was expected to be implemented by the US Federal Reserve later in 2015. Despite this, the Australian Bureau of Statistics reported that Australian GDP grew by 0.9% in the first quarter of 2015, dropping to 0.2% in the second quarter. This produced an average GDP growth rate across FY15 of 0.5% per quarter.

In summary, indicators for the Australian economy suggested that the economy had continued to grow over the year but at a rate somewhat below its longer-term average of 0.87% per quarter. The rate of unemployment had also elevated and together with slow growth in labour costs, inflation remained consistent with the RBA target rates, in spite of the lower exchange rate. The Australian Dollar depreciated during the period to $US0.77 against the rising US dollar and this stimulated demand for domestically produced goods and services. However total business investment remained subdued leading into the second half of 2015.

Domestically, Private Equity activity, including acquisitions and divestments, remained buoyant across the year. Although equity markets were volatile during the period, IPO activity remained strong with a number of Private Equity backed floats being finalised. These included two of VPEG's underlying portfolio companies, Metro Glass and Adairs, which were successfully floated in July 2014 and June 2015 respectively.

The buoyancy of the IPO and after market, also translated into enhanced returns for VPEG investors from the sale of shares released from escrow of portfolio companies that had previously listed. In the June 2015 quarter, a number of IPOs were however pulled or repriced, possibly indicating the market becoming more discerning in the new issues it will back. Equity capital market advisors however are steadfast that the IPO market is open for quality businesses. This indicates that the IPO window will remain open in the near term, which is positive for the remainder of VPEG's underlying Private Equity portfolio as it progresses through to exit.

Review of VPEG's Operations

VPEG's portfolio has continued to mature during the year with the level of investment activity remaining steady with five follow on investments and three completed exits during FY 15. There were no additional investments into new underlying businesses within the portfolio, however the number of underlying investments increased by one, from 48 to 49 due to the restructure and demerger of a company from a larger consolidated group.

Public equity markets remained an option for Private Equity backed company exits with two of the three exists for the year being publicly floated. This illustrates the continuing opportunities available for the listing of well performing mid-sized companies. Crescent Capital Partners III, sold the majority of glass manufacturer, Metro Glass in via an IPO in July 2014 and Catalyst Buyout Fund 2 exited Adairs, when it was listed on the ASX in June 2015.

In addition to these exits, Next Capital II completed the sale of bus operator, GoBus to an iwi consortium, in August 2014.

Furthermore, additional distributions were received during the year, from three underlying investments, that had exited from the portfolio in prior years. These proceeds contributed 22% towards the total distributions received during the year. These included additional sell downs during FY15 of shares in iSentia held by Quadrant Private Equity No. 2, following iSentia's IPO in June 2014 and also a sell down of shares in CoverMore, held by Crescent Capital Partners III following its IPO in December 2013. In addition, interest and capital distributions were received from Archer Capital 4 after the early redemption of Paymnet-In-Kind Note resulting from the sale of MYOB to Bain Capital in August 2011.

The resulting exits from the portfolio delivered another year of strong investment returns and distributions to VPEG. The three exits from VPEG's underlying portfolio during FY15 delivered VPEG a weighted average **3.4 X return on investment** into those companies across an average holding period of 4.3 years representing a weighted average **Internal Rate of Return (IRR) of 35.0% p.a**.

In summary, the returns received by VPEG from its underlying Private Equity portfolio across FY15 were solid and management expects this rate of distributions to continue as the portfolio matures and underlying company investments are prepared for exit. The continued divestment of the underlying Private Equity portfolio over the next 2 to 3 years will allow VPEG to maintain strong distributions to it's shareholders.

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 2015.

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 2015. 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 2015, 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	$3.94m	8	4
Archer Capital Fund 4	$1,360m	2007	Mid Market Buyout	$8.0m	$7.27m	10	6
Catalyst Buyout Fund 2	$438m	2008	Mid Market Buyout	$8.0m	$5.92m	7	2
Crescent Capital Partners III	$400m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$3.90m	6	4
Equity Partners Fund No. 3	$76m	2007	Small Market Expansion / Buyout	$4.0m	$3.51m	6	1
Next Capital II	$285m	2008	Small to Mid Market Expansion / Buyout	$7.0m	$5.84m	7	3
Quadrant Private Equity No. 2	$500m	2007	Mid Market Expansion / Buyout	$8.0m	$7.06m	5	4
			Total	**$43.0m**	**$37.45m**	**49**	**24**

DIRECTORS' REPORT

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 $36.75 million at 30 June 2014 to $37.45m at 30 June 2015 representing a 1.9% increase in drawn capital from VPEG across the year.

The majority of funds drawn during the period were used to fund five follow on investments and additional working capital into existing investee companies. In addition however, the total number of underlying company investments that have been invested in by VPEG's underlying funds since inception, increased from forty eight to forty nine during the period, as a result of a the restructure and demerger from a company from the former consolidated businesses.

Furthermore, three 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 five portfolio companies remained within the portfolio at 30 June 2015.

There were no additional, underlying Private Equity company investments completed during the year. This is primarily due to VPEG's investment portfolio reaching a stage of maturity whereby it is now being divested over time.

There were however, a number of follow on investments 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 additional capital investment
- Equity Partners 3 investee, **Tasman Market Fresh Meats**, to fund further expansion
- Catalyst Buyout Fund 2 investees, **Cirrus Media** and **Vesco**, to fund additional capital investment and working capital.

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 2015. As demonstrated in the table VPEG's top 10 investments represent approximately 44% of VPEG's Net Asset Value at 30 June 2015.

RANK	INVESTMENT	FUND	DESCRIPTION	% OF VPEG NAV*	CUMULATIVE % OF VPEG NAV*
1	Healthe Care	Archer Capital Fund 4	Owner & Operator of Private Hospitals	9.1%	9.1%
2	Home & Decor Holdings (Dusk & Adairs - value of remaining shares held following IPO in June 15)	Catalyst Buyout Fund 2	Specialty Retail - Homewares	7.3%	16.4%
3	Scottish Pacific	Next Capital II	Provider of Debtor Finance Services	6.5%	22.9%
4	iSentia Media (value of remaining shares held following IPO in June 14)	Quadrant Private Equity No. 2	International Media Services Business	6.3%	29.2%
5	Quick Service Restaurants Holdings	Archer Capital Fund 4	Chicken Fast Food Retailing	3.9%	33.1%
6	Integrated Packaging Group	Advent V	Manufacturer & Distributor of Packaging Products	2.9%	36.0%
7	Home Ventilation Products	Equity Partners III	Industrials - Capital Goods	2.1%	38.1%
8	GroundProbe	Crescent Capital Partners III	Industrials - Commercial Services & Supplies	2.0%	40.0%
9	Next Athleisure	Next Capital II	Consumer Discretionary - Retail	1.8%	41.9%
10	Onsite Rentals	Next Capital II	Commercial Rental of Portable Buildings, Toilets & Access Equipment	1.8%	43.7%

Note; * VPEG pre tax Net Asset Value.

Completed Exits During FY15

During the year, three 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 July 2014, **Crescent Capital Partners III** (CCPIII) sold the majority of their investment in portfolio company, **Metro Glass**, following the company's circa NZ$315m IPO and subsequent listing on the Australian Stock Exchange and the New Zealand Exchange. The IPO allowed CCP III to realise 80% of its investment in Metro for cash, reducing their equity holding to 20% after the IPO. It is envisaged that the remaining shares held by Crescent will be held in escrow until after September 2015 whereby it will likely be sold down over time. The exit delivered another strong investment return to VPEG.

During August 2014, **Next Capital II**, announced that a binding agreement had been reached for the sale of its interest in Go Bus to an iwi consortium. The sale was completed in late September 2014 with the net proceeds of the sale distributed to Next II investors including VPEG soon after, delivering a 36% IRR over a holding period of just over two years.

In June 2015, **Catalyst Buyout Fund 2** (CBF2) sold the majority of their investment in portfolio company, **Adairs**, following the company's $438 million IPO and subsequent listing on the Australian Stock Exchange. The IPO was priced at 16.3 times FY16 net profit after tax. CBF2 sold the bulk of their shares into the IPO, reducing their equity holding in Adairs from 69.5% pre IPO to 29.1% after the IPO. It is envisaged that the remaining shares held by Catalyst will likely be sold down over time following voluntary escrow. The exit delivered another strong top quartile return to VPEG. In addition, further distributions were received by VPEG in January and February 2015, as a result of restructuring activities undertaken in preparation for the aforementioned IPO.

In summary the three exits from the portfolio during FY15 have **delivered VPEG a weighted average 3.4 X return on investment into those companies** across an average holding period of 4.3 years **delivering a weighted average Internal Rate of Return (IRR) of 35.0% p.a.**

Additional Returns as a Result of Previous Exits

During the year, distributions were received from three underlying company investments that were sold from the portfolio, by their respective Private Equity funds in prior years. These additional distributions that occurred during the year are detailed below.

During October 2014, **Crescent Capital Partners III** completed the sale of all remaining shares it held in ASX listed portfolio company **CoverMore**. Crescent previously completed a successful IPO of CoverMore on the ASX in December 2013 with the remaining shares it held following the IPO, sold down during FY15 until the stake was completely exited, delivering a strong return to CCPIII investors including VPEG.

In April 2015, 25% of shares held by **Quadrant Private Equity No. 2** in publically listed iSentia, were released from escrow and sold. The sale delivered another strong top quartile return to VPEG.

In addition, during May 2015, **Archer Capital Fund 4** completed the successful negotiation of an early repayment of the debt security held in portfolio company **MYOB**, resulting in a higher net benefit to Archer investors, including VPEG. Archer sold MYOB to Boston based Private Equity firm Bain Capital in August 2011. Part of the proceeds from the sale was a Paymnet-In-Kind Note to be redeemed on 31 March 2017. The early repayment was triggered by the IPO of MYOB in May 2015.

Partial Exits During FY15

In addition to the sale or IPO of underlying company investments detailed above and additional returns from exits in prior years, 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 the remaining hotels from its pub portfolio in Queensland.

As a result of the three completed exits, additional returns from prior year's exits and the additional distributions received from IPG, a total of $7,607,924 in cash distributions were received from VPEG's underlying Private Equity funds, during the year. 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 decreased by 41.7% from $9.4m in FY14 to $5.5m for FY15. The breakdown of income for FY15 compared with FY14 is shown in the table below.

SOURCE OF INCOME	FY15 $'000'S	FY14 $'000'S	% CHANGE OVER FY14
Interest on Cash & Term Deposits	287	365	-21.4%
Income Received From Underlying Private Equity Funds	5,194	9,031	-42.5%
Total	**5,481**	**9,396**	**-41.7%**

As detailed above, the contribution to total income from interest on cash and term deposits fell by 21.4% from $365k to $287k. The reason for the drop in income was due to a reduction in average total funds invested in term deposits compared to the prior year and a reduction in the average interest rate received. During the period the rate of interest earned on VPEG's cash and term deposit investments reduced as the RBA target cash rate reduced from 2.5% as at 1 July 2014 to 2.25% on 4 February 2015 and again on 6 May 2015 to 2.0% until the end of the year.

There was also a decrease in the level of income & capital gain distributions received from VPEG's underlying Private Equity investments which fell by 42.5% from $9.03m during FY14 to $5.19m for FY15.

A further $2.27m 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 59.9% reduction from the $5.67m return of capital received by VPEG during FY14.

VPEG's total funds invested in cash and term deposits increased by 3% across the year from $10.02 at 30 June 2014 to $10.29m at 30 June 2015. The slight increase in these liquid investments resulted predominately from operating activities of the fund such as distributions received from exits net of income tax paid, additional follow on investments in to the underlying portfolio and distributions to VPEG shareholders.

During the year there was a 22.7% reduction in the value of funds invested in underlying Private Equity investments from $22.3m to $17.3m. This is primarily attributed to the value of exits from the underlying Private Equity portfolio exceeding the value of new investments added to the portfolio.

There were no write-offs by the underlying fund manager's associated with the unrealised investments as at 30 June 2015. As a result there was no impairment expense incurred or booked for FY15 however the unrealised value of individual investments did fluctuate during the period in line with revaluations applied by underlying fund managers to their portfolio companies, on a quarterly basis.

The average interest rate earned on VPEG's cash and term deposits during the period was 2.9% p.a. Once again the interest rate earned during the period by VPEG's investments outperformed the RBA cash rate, which having reduced from 2.5% p.a. at 1 July 2014 to 2.25% on 4 February 2015 and again on 6 May 2015 where it remained at 2.0% p.a. until the end of the year.

Operational costs incurred by the company during the year decreased by 14% from $0.956m during FY14 to $0.823m for FY15. Furthermore there was no impairment expense incurred or booked for FY15.

Primarily as a result of the reduction in income across FY15, VPEG's profit before tax reduced by 44.8% from $8.44m for FY14 to $4.66m for FY15.

In addition, due to the quantum of franking credits attached to dividends received by VPEG from distributions from underlying Private Equity fund investments during the year, VPEG's Income tax expense reduced by 40.4% from $2.096m in FY14 to $1.244m in FY15, representing an effective income tax rate for VPEG for FY15 of 26.7%.

The resulting post tax profit for the company for the year was $3.414m, which was 46.3% below the $6.354m booked for FY14. Furthermore, Retained Earnings reduced slightly from $6.406m to $6.283m.

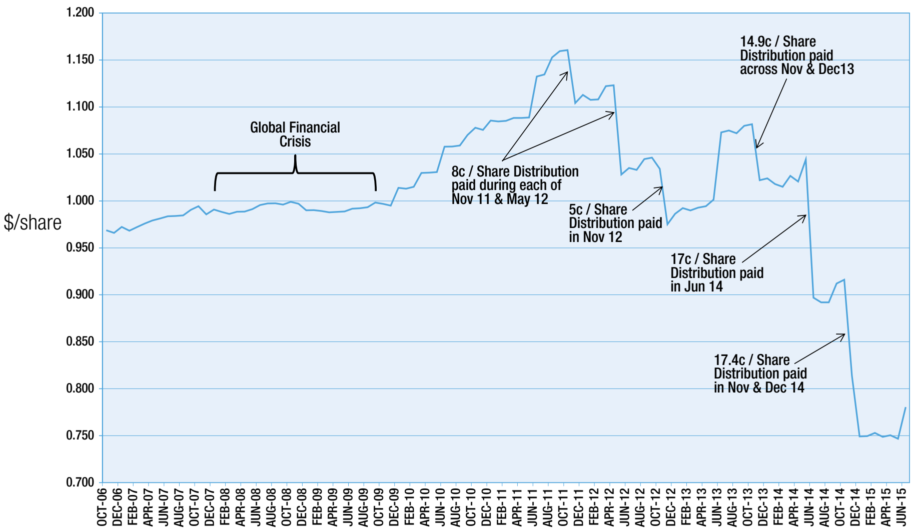
Despite the reduction in profit from the prior year, the level of net profit and retained earnings of the company remain strong. The board has therefore recommended the payment of a final fully franked dividend of $3,444,901 (9.7 cents per share) to shareholders for the year ended 30 June 2015. This dividend will be paid to shareholders during November 2015.

Change Post Tax NAV / Share

During the period the company's post tax Net Asset Value (NAV) per share decreased from $0.897 to $0.781.

Taking into account the 17.4c per share in cash distributions paid to Shareholders during FY15 and an additional 4.29c in franking credits also distributed, the improvement in total shareholder value across FY15 represented a gain of 6.5% p.a.

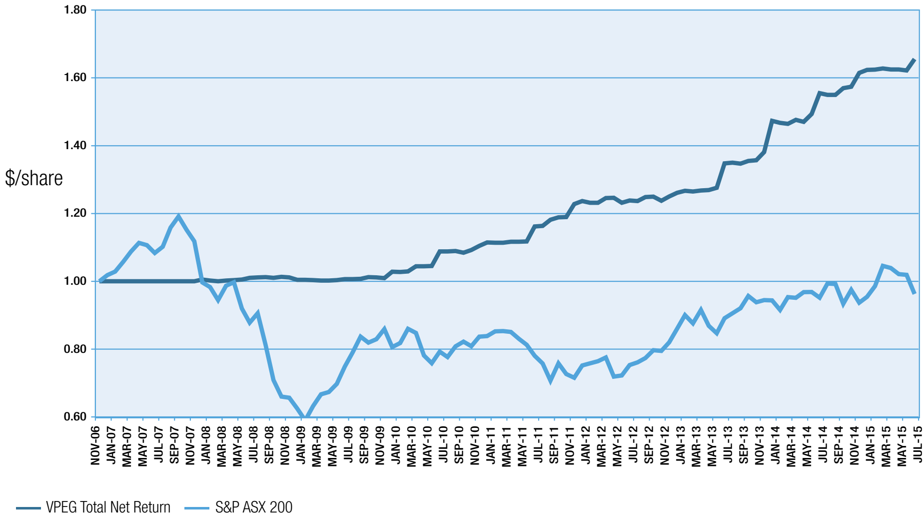
The graph below details the movement in VPEG's post tax NAV per share since commencement through to 30 June 2015.



VPEG's Net Return to Shareholders Outperforms Listed Markets

VPEG's Total Net Return to shareholders since inception through to 30 June 2015 demonstrates it's outperformance and low correlation to public equity market returns.

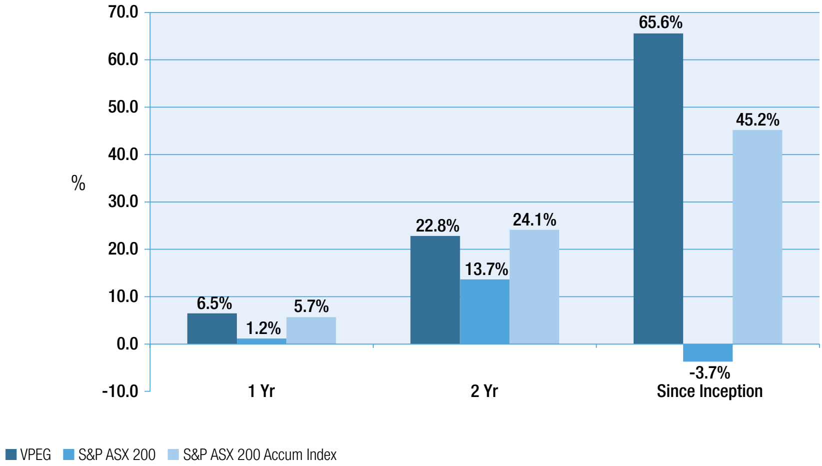
VPEG Total Return vs S&P ASX 200 Index 01 Nov 06 to 30 June 2015



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

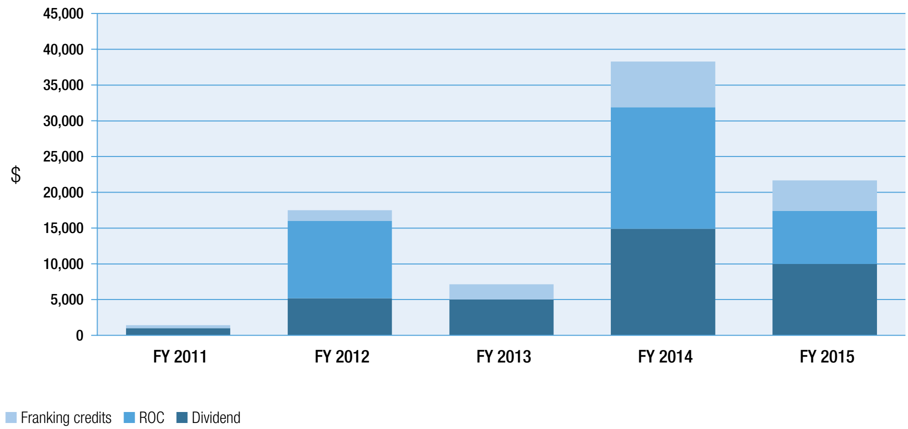
The chart overleaf compares VPEG's total net return to the S&P ASX 200 index and the S&P ASX 200 accumulation index (which includes the reinvestment of dividends) across one year, two years and since inception to 30 June 2015. The chart further demonstrates the strength of VPEG's performance versus listed 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, 2 Yr & Since Inception to 30 June 2015



The chart below details the VPEG distributions made to unit holders over the last 5 years. Total cash distributions paid across the past five years per $100,000 investment was $71,300 plus $14,739 in franking credits. Total cash distributions paid since inception was $72,300 plus $15,169 in franking credits.

VPEG Distributions FY11 - FY15 (per $100k invested)



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 exits of underlying portfolio companies exited in previous years have finalised the sale of their residual investments subsequent to their exit in prior years including; Independent Pub Group and iSentia by Quadrant Private Equity. Details of these exits will be provided in the September 2015 quarterly report available on the company's website at www.vpeg.info during November 2015. 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 2015 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 2015, 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 (2014: $16,978) to insure the directors and officers 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.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

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
29 October 2015

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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 2015, 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 2015

FINANCE REPORT

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	YEAR ENDED 30 JUNE 2015 $'000	YEAR ENDED 30 JUNE 2014 $'000
Investment income from ordinary activities	6	**5,481**	9,396
Expenses			
Management fees	20(b)	**(463)**	(588)
Custody fees		**(16)**	(16)
Consulting fees		**(21)**	(21)
Audit fees		**(64)**	(63)
Share registry fees		**(26)**	(27)
Directors' fees		**(176)**	(177)
Accounting fees		**(35)**	(33)
Other expenses		**(22)**	(31)
		(823)	(956)
Profit before income tax		**4,658**	8,440
Income tax expense	7	**(1,244)**	(2,086)
Net profit for the year		**3,414**	6,354
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in the fair value of available for sale financial assets	15(a)	**(3,520)**	(412)
Income tax on items of other comprehensive income	15(a)	**1,056**	124
Other comprehensive loss for the year, net of tax		**(2,464)**	(288)
Total comprehensive income for the year		**950**	6,066

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	NOTES	YEAR ENDED 30 JUNE 2015 $'000	YEAR ENDED 30 JUNE 2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**10,294**	10,020
Trade and other receivables	9	**54**	2,388
Other current assets		**7**	7
Total current assets		**10,355**	12,415
Non-current assets			
Available for sale financial assets	4, 10	**17,292**	22,376
Deferred tax asset	11	**1,310**	246
Total non current assets		**18,602**	22,622
Total assets		**28,957**	35,037
LIABILITIES			
Current liabilities			
Trade and other payables	12	**160**	169
Current tax liabilities		**1,268**	2,134
Return of capital payable	13	**2,476**	-
Total current liabilities		**3,904**	2,303
Total liabilities		**3,904**	2,303
Net assets		**25,053**	32,734
Equity			
Issued capital	14	**20,736**	25,830
Reserves	15(a)	**(1,966)**	498
Retained earnings	15(b)	**6,283**	6,406
Total equity		**25,053**	32,734

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 2015

	NOTES	ISSUED CAPITAL $'000	RESERVES $'000	RETAINED EARNINGS $'000	TOTAL EQUITY $'000
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/(loss) 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		-	-	(5,271)	(5,271)
		(6,013)	-	(5,271)	(11,284)
Balance at 30 June 2014		**25,830**	**498**	**6,406**	**32,734**
Balance at 1 July 2014		25,830	498	6,406	32,734
Net profit for the year		-	-	3,414	3,414
Other comprehensive income for the year					
Net fair value movement on available for sale financial assets (net of tax)		-	(2,464)	-	(2,464)
Total comprehensive income/(loss) for the year		**-**	**(2,464)**	**3,414**	**950**
Transactions with owners in their capacity as owners:					
Return of capital		(5,094)	-	-	(5,094)
Dividends provided for or paid		-	-	(3,537)	(3,537)
		(5,094)	-	(3,537)	(8,631)
Balance at 30 June 2015		**20,736**	**(1,966)**	**6,283**	**25,053**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	NOTES	YEAR ENDED 2015 $'000	YEAR ENDED 2014 $'000
Cash flows from operating activities			
Distributions received		**7,482**	6,727
Interest received		**332**	407
Income taxes paid		**(2,118)**	(1,236)
Payment of other expenses		**(831)**	(963)
Net cash inflows from operating activities	21	**4,865**	4,935
Cash flows from investing activities			
Payments for available for sale financial assets		**(708)**	(1,700)
Return of capital on investments		**2,272**	5,666
Net cash inflow from investing activities		**1,564**	3,966
Cash flows from financing activities			
Dividends paid to Company's shareholders	16	**(3,537)**	(5,271)
Return of capital to Company's shareholders		**(2,618)**	(6,013)
Net cash (outflow) from financing activities		**(6,155)**	(11,284)
Net increase/(decrease) in cash and cash equivalents		**274**	(2,383)
Cash and cash equivalents at the beginning of the year		**10,020**	12,403
Cash and cash equivalents at the end of the year	8	**10,294**	10,020

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 2015. 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 financial statements are presented in Australian dollars (AUD).

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 29 October 2015.

(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

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2014 that have a material impact on the Company.

(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.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2015 reporting periods and have not been early adopted by the Company. The Company's assessment of the impact of these new standards and interpretations is set out below.

TITLE OF STANDARD	NATURE OF CHANGE	IMPACT	MANDATORY APPLICATION DATE/ DATE OF ADOPTION BY THE COMPANY
AASB 9 *Financial Instruments*	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	Following the changes approved by the AASB in December 2014, the Company no longer expects any impact from the new classification, measurement and derecognition rules on the Company's financial assets and financial liabilities. There will also 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 not changed from the previous requirements, and the Company does not apply hedge accounting. The new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Company has not yet assessed how the impairment provisions would be affected by the new rules.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Company has not yet decided when to adopt AASB 9.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(v) New standards and interpretations not yet adopted (continued)

TITLE OF STANDARD	NATURE OF CHANGE	IMPACT	MANDATORY APPLICATION DATE/ DATE OF ADOPTION BY THE COMPANY
AASB 15 *Revenue from Contracts with Customers*	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	The Company's main sources of income are interest and distributions. All of these are outside the scope of the new revenue standard. As a consequence, the Directors do not expect the adoption of AASB 15 to have a significant impact on the Company's accounting policies or the amounts recognised in the financial statements.	Mandatory for financial years commencing on or after 1 January 2017. The Company has not yet decided when to adopt AASB 15.

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

(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).

(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.

2 Summary of significant accounting policies (continued)

(c) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the 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 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

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.

2 Summary of significant accounting policies (continued)

(f) Investments and other financial assets (continued)

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.

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.

2 Summary of significant accounting policies (continued)

(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 23.

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:

(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.

2 Summary of significant accounting policies (continued)

(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.

(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.

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.

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.

3 Financial risk management (continued)

(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:

(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 (as prices) or indirectly (derived from prices) (level 2), and

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

4 Fair value measurements (continued)

(a) Fair value hierarchy (continued)

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2015.

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
At 30 June 2015				
Recurring fair value measurements				
Financial assets				
Available-for-sale financial assets Unlisted Private Equity funds	**-**	**17,292**	**-**	**17,292**
Total financial assets	**-**	**17,292**	**-**	**17,292**
At 30 June 2014				
Recurring fair value measurements				
Financial assets				
Available-for-sale financial assets Unlisted Private Equity funds	-	22,376	-	22,376
Total financial assets	-	22,376	-	22,376

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.

5 Critical accounting estimates and judgements (continued)

(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 2015 $'000	YEAR ENDED 2014 $'000
From continuing operations		
Distributions	**5,194**	9,031
Interest	**287**	365
	5,481	9,396

7 Income tax expense

	NOTES	YEAR ENDED 2015 $'000	YEAR ENDED 2014 $'000
(a) Income tax expense through profit or loss			
Current tax expense		**1,252**	2,100
Deferred tax benefit		**(8)**	(14)
		1,244	2,086
Deferred income tax benefit included in income tax expense comprises:			
Increase in deferred tax	11	**(8)**	(14)
		(8)	(14)
(b) Numerical reconciliation of income tax expense to prima facie tax payable			
Profit before income tax		**4,658**	8,440
Tax at the Australian tax rate of 30% (2014 - 30%)		**1,397**	2,532
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Other items		**(153)**	(446)
Income tax expense		**1,244**	2,086

7 Income tax expense (continued)

	NOTES	YEAR ENDED 2015 $'000	YEAR ENDED 2014 $'000
(c) Tax expense (income) relating to items of other comprehensive income			
Net unrealised gains/(losses) on investments taken to equity		**(1,056)**	(124)

8 Current assets - Cash and cash equivalents

	2015 $'000	2014 $'000
Current assets		
Bank accounts	**6,910**	2,749
Short term money market	**3,384**	7,271
	10,294	10,020

9 Current assets - Trade and other receivables

	2015 $'000	2014 $'000
Distributions receivable	**23**	2,310
Interest receivable	**9**	54
GST receivable	**22**	24
	54	2,388

(a) Fair value and credit risk

Due to the sort-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

	2015 $'000	2014 $'000
Unlisted Private Equity funds	**17,292**	22,376

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

	2015 $'000	2014 $'000
The balance comprises temporary differences attributable to:		
Other	**13**	5
Net unrealised loss on available for sale financial assets	**1,297**	241
	1,310	246
Movements:		
Opening balance	**246**	108
Charged/credited:		
- to statement of comprehensive income	**8**	14
- directly to equity	**1,056**	124
	1,310	246

12 Current liabilities - Trade and other payables

	2015 $'000	2014 $'000
Management fees payable	**38**	46
Custodian fees payable	**17**	8
Audit and taxation fees payable	**78**	88
Other payables	**27**	27
	160	169

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 Current liabilities - Return of capital payable

	2015 $'000	2014 $'000
Return of capital payable	**2,476**	-

The return of capital payable relates to an amount approved via a shareholder resolution on 19 June 2015.

14 Issued capital

(a) Share capital

	30 JUNE 2015 SHARES '000	30 JUNE 2014 SHARES '000	2015 $'000	2014 $'000
Ordinary shares - fully paid	**35,373**	35,373	**20,590**	25,684
Share subscription option reserve	**7,042**	7,042	**146**	146
	42,415	42,415	**20,736**	25,830

14 Issued capital (continued)

(b) Movements in ordinary share capital

DETAILS	NUMBER OF SHARES '000	$'000
Opening balance 1 July 2013	35,373	31,843
Return of capital	-	(6,013)
Closing balance 30 June 2014	35,373	25,830
Opening balance 1 July 2014	35,373	25,830
Return of capital	-	(5,094)
Closing balance 30 June 2015	35,373	20,736

(c) Movements in share subscriber options reserve

DETAILS	NUMBER OF SHARES '000	$'000
Opening balance 1 July 2013	7,042	146
Share subscriber option reserve	-	-
Balance 30 June 2014	7,042	146
Opening balance 1 July 2014	7,042	146
Share subscriber option reserve	-	-
Balance 30 June 2015	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 23.

15 Reserves and retained earnings

	NOTES	2015 $'000	2014 $'000
(a) Reserves			
Available for sale investments revaluation reserve		**(1,980)**	484
Share-based payments reserve		**14**	14
		(1,966)	498
Movements:			
Available for sale investments revaluation reserve			
Opening balance		**484**	772
Net change on available for sale financial assets		**(3,520)**	(412)
Income tax on items taken directly to or transferred from equity	11	**1,056**	124
Closing balance		**(1,980)**	484
Return on investments			
Distributions	6	**5,194**	9,031
Net change on available for sale financial assets		**(3,520)**	(412)
Total return during the year		**1,674**	8,619
Share-based payments reserve			
Opening balance		**14**	14
Option expense	23	**-**	-
Closing balance		**14**	14

Nature and purpose of reserves

(i) Available for sale investments revaluation reserve

Individual unrealised valuations fluctuate up and down and the movement is 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 Reserves and retained earnings (continued)

(b) Retained earnings

Movements in retained earnings were as follows:

	NOTES	2015 $'000	2014 $'000
Balance 1 July		**6,406**	5,323
Net profit for the year		**3,414**	6,354
Dividends	16	**(3,537)**	(5,271)
Balance 30 June		**6,283**	6,406

16 Dividends

a) Ordinary shares

	YEAR ENDED 2015 $'000	YEAR ENDED 2014 $'000
Dividend paid during the year ended 30 June		
Fully franked dividend paid during the year ended 30 June 2015 -		
10 cents per share (2014: 14.9 cents per share)	**3,537**	5,271
	3,537	5,271

17 Key management personnel disclosures

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

Roderick H McGeoch AO	Chairman
Patrick Handley	Director
Paul Scully	Director
Michael Tobin	Managing Director

(a) Key management personnel compensation

	YEAR ENDED 2015 $	YEAR ENDED 2014 $
Short-term employee benefits	**175,982**	176,989

Represented by non-executive directors fees.

18 Contingencies

The Company had no outstanding contingent assets and liabilities at 30 June 2015 (2014: nil).

19 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 2015 include $8 million to each of Archer Capital Fund 4, Catalyst Buyout Fund 2 and Quadrant Private Equity No. 2, $7 million to Next Capital II and $4 million to each of Advent V, Crescent Capital Partners III and Equity Partners Fund No. 3.

20 Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in Note 17.

(b) Transactions with other related parties

The following transactions occurred with related parties:

	YEAR ENDED 2015 $	YEAR ENDED 2014 $
Management fees paid or payable	**462,525**	587,754
Management fees payable at the end of the reporting period	**37,905**	45,848

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 2015 (2014: nil).

As at 30 June 2015, the Manager held 2 shares in the Company (2014: 2 shares).

(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.

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

	YEAR ENDED 2015 $'000	YEAR ENDED 2014 $'000
Profit for the year	**3,414**	6,354
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	**2,334**	(2,283)
Increase in other current assets	**-**	(7)
Increase in deferred tax assets	**(1,064)**	(138)
Decrease/(increase) in trade and other payables	**(9)**	22
Increase in provision for income taxes payable	**190**	987
Net cash inflow from operating activities	**4,865**	4,935

22 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.

23 Share-based payments and option plan

(a) Non-Executive Director Option Plan

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

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

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

23 Share-based payments and option plan (continued)

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

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 at the end of which the options expire
4	25%	$2.50	5 years	1 year	5 years

No options were exercised however 64,231 tranche 2 options expired during the period from 1 July 2013 to 30 June 2014 and 64,231 tranche 3 options expired during the period from 1 July 2014 to 30 June 2015. Tranche 4 options above are due to expire on 1 November 2015.

Fair value of options granted

The charge to profit or loss was $0 during the year (2014: $0).

DIRECTORS' DECLARATION

30 JUNE 2015

In the directors' opinion:

(a) the financial statements and notes set out on pages 3 to 24 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 2015 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
29 October 2015

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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 2015, 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 attached to the annual financial report.

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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 2015, 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 2015

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NOTES

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