VANTAGE PRIVATE EQUITY GROWTH LIMITED
ACN 112 481 875

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2017

DIVERSIFY
GROW
OUTPERFORM

INVESTMENT MANAGER
vantage
Asset Management

CORPORATE DIRECTORY

Directors	Roderick H McGeoch AO, LLB *Chairman (Non Executive)* Patrick Handley B.Com., MBA *Non Executive Director* Paul Scully BA, FIAA, FAICD *Non Executive Director* Michael Tobin B.E., MBA, DFS (Financial Markets) *Managing Director*
Notice of annual general meeting	The annual general meeting of Vantage Private Equity Growth Limited *will be held at* Corrs Chambers Westgarth L17, 8 Chifley Square Sydney NSW 2000 *time* 10.00am *date* 21 November 2017
Principal registered office in Australia	Level 25, Aurora Place 88 Phillip Street Sydney NSW 2000
Auditors	Ernst & Young 200 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 2017.

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 2017 the company held remaining investment commitments in six private equity funds managed by six Australian domiciled private equity fund managers.

Company Performance Highlights for FY17

- Five follow on investments completed into existing portfolio companies
- Three exits completed from the underlying investment portfolio, delivering VPEG a weighted average 3.0 X original cost of investment into those companies
- Total Income of $3.96m, up 57% over the $2.52m received in FY16
- Net Profit after Tax of $1.78m up 65% over the $1.08m Profit of FY16
- Total Distributions received from underlying funds of $4.31m
- Total Return of Capital received $396k
- Total Cash Distributions paid to Shareholders during FY17 of 17.7c per share plus 3.2c per share in franking credits. Distributions consisted of;
  - Fully franked dividend distribution of 7.5c per share paid in November 2016
  - Return of Capital distributions of 10.2c per share consisting of 3.7c per share paid in December 2016 and 6.5c per share paid in June 2017)
- A further fully franked dividend distribution of 4.42c per share, to be paid to Shareholders during November 2017, from retained earnings at 30 June 2017

Distributions

On 24 November 2016, the Company paid a fully franked dividend of **$2,648,501** (**7.5c** / share).

Furthermore, on 14 December 2016, the Company paid a return of capital distribution of **$1,308,803** (**3.7c** / share) following a shareholder vote in favour of this distribution at the Annual General Meeting of the Company held on 29 November 2016.

In addition, on 6 June 2017 shareholders voted in favour of a further Return of Capital of **$2,299,248** (**6.5c** / share), which was distributed to shareholders on 20 June 2017.

As a result the total cash distributions paid to shareholders during the year ended 30 June 2017 totaled **$6,368,266** representing **17.7c / share**. A further **$1,135,072** (**3.2c** / share) in franking credits were distributed with the dividend payment.

Since the end of the financial year the Directors have recommended the payment of a final distribution of **$1,563,489** (**4.42c / share**) representing a fully franked dividend to be paid in November 2017, to shareholders of the company, out of retained earnings at 30 June 2017.

Economic Conditions across FY17

During the year ended 30 June 2017 (FY17), the Australian economy continued to shift from a reliance on the mining sector, as the decline in mining investment continued to dissipate and the economy transitioned to broader-based economic growth.

Australia recorded its 26th year of continuous economic growth across FY17. As a result, Australia holds the record for the second longest uninterrupted expansion in modern history, having not suffered a recession since 1991. Given the uncertainty in the economic and political situation experienced around the world over the year, this is a remarkable achievement.

During FY17, Australia further progressed towards becoming a service based economy. The services sector continued to dominate the economy with the largest share of both economic output and employment. The expectation at the beginning of the year was that growth rates in Australia would remain subdued into 2017 as the country continued this transition. Monetary policy therefore continued to be focused on improving non-mining business investment to offset the expected fall and the continued decline in mining related investment.

For the year ended 30 June 2017, the economy grew at a moderate pace of 1.9% (2016 2.9%) which was lower than the 2.5% that had been forecast. This growth was also below the long term trend of 3.25%. The common concerns for the Australian economy across FY17, included the speed at which the Australian economy could transition away from resources into non-resource areas; the possibility of low business investment and confidence, underemployment and slow wage growth impacting consumer spending in addition to rising household debt levels relative to income.

DIRECTORS' REPORT

During the second half of calendar year 2016 the Australian economy experienced mixed outcomes, contracting by 0.5% for the September quarter (only the fourth since 1991) but bouncing back with strong growth of 1.1% in the December quarter. The rebound in the December 2016 quarter confirmed that the weak outcome in the September quarter largely reflected temporary factors. The overall increase in growth for the last 6 months of 2016 was underpinned by a significant uplift in government spending, higher household spending (at the expense of household savings) and strong growth in exports offset by a weaker business environment.

The strong growth in exports, benefited from stronger commodity prices, resulting in a lift in Australia's Terms of Trade increasing by 9.1% over the December quarter, and 15.6% since the beginning of 2016. Export growth was also enhanced by the decision of the Reserve Bank of Australia (RBA) to reduce the official cash rate a further 0.25% to an unprecedented 1.5% in August 2016. This change in monetary policy followed weak inflation data and concerns around the strength of the Australian dollar providing potential room for economic growth.

The RBA reasoned that the interest rate cut coupled with a resulting lower Australian dollar would assist the growth of Australia's trade-exposed sectors which continued to outpace recent trends. In addition, bulk commodity prices strengthened after reaching multi-year lows over 2015-16, including the prices of metallurgical coal, thermal coal and iron ore.

Across the first half of 2017, the Australian economy grew by 0.3% in the March quarter and again by 0.8% in the June 2017. Whilst this was consistent with the prevailing economic conditions experienced in recent years, it enabled Australia to overtake the Netherlands for holding the longest period of sustained economic growth in the world.

The growth in the June 2017 quarter completed 104 consecutive periods without a recession.

The economic data for the first half of 2017 however, highlighted the weakness in domestic spending as a function of slow wage growth impacted by consumer sentiment at below long term averages. The slow growth in real wages and high levels of household debt are likely to constrain growth in spending for FY18. The unemployment rate however fell to 5.6% in May 2017, although labour market conditions remained mixed. By contrast however, the decline in mining investment began to stabilise and business conditions improved, marked by capacity utilisation attaining decade highs in May 2017. In addition, a smaller-than-expected detraction from business investment and a stronger-than-expected contribution from public final demand, offset weaker contributions from net exports and dwelling investment. Tropical Cyclone Debbie was also estimated to have detracted around a quarter of a percentage point from growth in the June 2017 quarter, with a significant impact on coal exports due to the bad weather.

Looking forward, economic growth is projected to increase gradually and reach 2.75% for FY18 and 3% in 2018-19. The drag on growth from declining resource-sector investment is expected to fade and gathering momentum outside the resource sector, will support wage and employment growth, thus boosting consumer spending. Exports are also expected to grow strongly. In addition, accommodative monetary policy, a lower exchange rate and flexible labour market are assisting the economic adjustment that has been underway for a number of years, following the peak of the investment phase of the mining boom.

Equity markets

In equity markets, the common concerns still impacting the global economy was the outlook for China's growth and the continued recovery of advanced economies such as the United States and Japan to their pre-GFC growth rates.

China remains the single largest contributor to the global economic growth and is pivotal to the world economic outlook. The International Monetary Fund estimates China contributed 39% to world economic growth in 2016, a rise of 14.2 percentage points from 2015. China is also Australia's largest trading partner and will continue to play an important role in Australia's long term economic prosperity. China's economy grew at a rate of 6.6% in 2016 reflecting strong consumer spending, robust manufacturing activity and continued government support for expansionary fiscal policy as their economy transitions towards a market based economy.

Volatility in global equity markets during the year resulted from geopolitical factors, including but not limited to Brexit, the election of Trump as President of the United States and missile testing in North Korea. Despite this, the world's capital markets have surged, with new highs reached in the US as growth expectations gathered momentum and business confidence rose on the back of positive economic data from the US and President Trump's plans to cut taxes and regulations.

A Positive Environment for Exits from VPEG's Underlying Portfolio Across FY17

Australian Private Equity activity, in the growth, expansion and buyout market segments has been buoyant throughout FY17. During FY17, private equity exits were supported by trade buyers, secondaries to other private equity funds, as well as through the public markets despite equity market volatility and political uncertainty during the year. According to a Pitcher Partners 2017 report, deal volumes in the first half of 2017 were up by 30-40% when compared to the same period the previous year. Strong deal activity is expected to be continue for the remainder of the year resulting in 2017 total deal activity finishing 20% ahead of that seen in 2016.

Australia is seen as a positive environment for domestic and offshore buyers. The deal environment is enhanced by Australia's climate for low interest rates, low inflation and competitive currency (relative to other currencies). As a result, the announced and closed deal activity is expected to remain fairly robust over the next year with the cut in interest rates (in August 2016) expected to encourage more private placement activity from local buyers.

Australia has also sustained steady interest from foreign investors over the past few years. The top bidder country for mid-market inbound M&A in 2017 was the United States, followed by China and the United Kingdom a distant third place. Interest by overseas buyers is expected also to remain buoyant in FY18 with a continued increase in the number of cross border transactions with specialist overseas funds becoming more active.

As a result market conditions continue to remain favourable for private equity funds within VPEG's underlying portfolio to exit their investments.

DIRECTORS' REPORT

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 exits completed from the portfolio during FY17. There were no investments into new underlying businesses added to the portfolio.

Three exits were completed during the year including:

- **Next Capital II** listed **Scottish Pacific Group** on the Australian Stock Exchange (ASX) during July 2016;
- **Equity Partners 3** sold investee **E-Co Products Group** (formerly HRV group) in a trade sale during March 2017 to New Zealand Exchange listed, Vector Limited; and
- **Advent V** exited investee **Orionstone** following the successful recapitalisation and merger with ASX listed Emeco Holdings Limited and Andy's Earthmoving in April 2017

In addition, one partial exit was completed with the trade sale by Next Capital II of a division of underlying investee Next Athleisure.

The three completed exits from VPEG's underlying portfolio during FY17 delivered VPEG a **weighted average 3.0 X return on investment** into those companies across an average holding period of 5.3 years.

Including the three exits completed during 2017, **79.1%** of all investments exited from VPEG's underlying portfolio have now achieved a **greater than 2X cost of original investment** and **81.0% of investments exited to date** have achieved a **Gross IRR of more than 20% at exit**.

In summary, the returns received by VPEG from its underlying private equity portfolio across FY17 were solid and management expects this rate of exits and subsequent distributions to investors to continue as the portfolio matures and underlying company investments are sold.

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 2017.

Underlying Private Equity Investments

During the year VPEG's Private Equity fund commitments reduced from a total of $43 million across seven Private Equity funds at 30 June 2016 to $35 million committed across six Private Equity funds as at the 30 June 2017. VPEG's investment commitment of $8m to Quadrant Private Equity No. 2 ended upon the completion of that fund in July 2016 following the final exit of its last underlying company investment in June 2016.

VPEG's remaining investment commitments include, $8m to each of Archer Capital Fund 4, and Catalyst Buyout Fund 2, $7m to Next Capital II and $4m to each of Advent V, Crescent Capital Partners III and Equity Partners Fund No. 3.

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	$4.00m	8	5
Archer Capital Fund 4	$1,360m	2007	Mid Market Buyout	$8.0m	$7.27m	10	7
Catalyst Buyout Fund 2	$438m	2008	Mid Market Buyout	$8.0m	$6.10m	7	2
Crescent Capital Partners III	$400m	2006	Small to Mid Market Expansion / Buyout	$4.0m	$3.95m	6	4
Equity Partners Fund No. 3	$76m	2007	Small Market Expansion / Buyout	$4.0m	$3.69m	6	3
Next Capital II	$285m	2008	Small to Mid Market Expansion / Buyout	$7.0m	$6.06m	7	4
Quadrant Private Equity No. 2	$500m	2007	Mid Market Expansion / Buyout	$8.0m	$7.06m	5	5
			Total	**$43.0m**	**$38.12m**	**49**	**30**

Due to continued follow-on investment activity by VPEG's underlying funds, the total value of funds drawn from VPEG into private equity investments during the year increased from $37.91 million at 30 June 2016 to $38.12m at 30 June 2017 representing a 0.5% 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. There were no new underlying Private Equity company investments completed during the year. This is primarily due to VPEG's investment portfolio now expected to be divested over the next two years.

As a result, the total number of underlying company investments that have been invested in by VPEG's underlying funds since inception remained at forty nine.

Turning to exits, three underlying portfolio companies were completely exited during the period, resulting in a distribution of capital and income back to VPEG and its shareholders. In total 30 underlying companies have now been exited from the portfolio, representing 61% of all underlying companies invested in by VPEG.

As a result, a total of nineteen portfolio companies remained within the portfolio at 30 June 2017.

DIRECTORS' REPORT

Follow on Investments Completed During FY17

There were 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;

- Equity Partners 3 investee, **TMFM Holdings (Tasman Market Fresh Meat).**
- Crescent Capital III investee, **Steel-line**.
- Catalyst Buyout Fund 2 investees, **Dusk** (Oct 16) and **Bhagwan Marine**.
- Advent V investee, **UGM Mining**.

The table below provides a summary of the top ten underlying private equity investments remaining in VPEG's underlying portfolio, for which funds have been drawn from VPEG, as at 30 June 2017. As demonstrated in the table, VPEG's top 10 current investments represent approximately 67.9% of VPEG's Net Asset Value at 30 June 2017.

RANK	INVESTMENT	FUND	DESCRIPTION	% OF VPEG NAV*	CUMULATIVE % OF VPEG NAV*
1	Scottish Pacific (Value of remaining shares held following IPO in July 16)	Next Capital II	Provider of Debtor Finance Services	13.8%	14.7%
2	Quick Service Restaurants Holdings	Archer Capital Fund 4	Chicken Fast Food Retailing	11.0%	25.7%
3	Integrated Packaging Group	Advent V	Manufacturer and Distributor of Packaging Products	10.7%	36.3%
4	Aussie Farmers Group	Equity Partners III	Fresh Food Home Delivery Business	6.9%	43.3%
5	GroundProbe	Crescent Capital Partners III	Slope Stability Monitoring Systems	5.8%	49.0%
6	Adairs (Value of remaining shares held following IPO in July 15)	Catalyst Buyout Fund 2	Specialty Retailer of Homewares and Soft Furnishing	5.0%	54.0%
7	Steel-line	Crescent Capital Partners III	Manufacturer, Distributor and Installation of Garage Doors	4.6%	58.6%
8	Morris Corporation	Catalyst Buyout Fund 2	Remote Facilities Management & Accommodation Services	4.4%	63.0%
9	Vesco	Catalyst Buyout Fund 2	Manufacturer of frozen meals and meal components	2.6%	65.6%
10	Discovery Holiday Parks	Next Capital II	Caravan & Cabin Park Owner & Operator	2.3%	67.9%

*Note; * VPEG pre tax Net Asset Value*

Completed Exits During FY17

During the year, three underlying company investments were completely sold from the portfolio, by their private equity fund owners. 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 2016, Next Capital Fund II, completed the exit of its investment in Scottish Pacific Debtor Finance ('Scottish Pacific') via a successful Initial Public Offering and listing on the Australian Stock Exchange. Over the term of the investment, Scottish Pacific became Australasia's largest non-bank debtor finance provider via acquisitions and strategic structuring of the enlarged group's operations. The most significant acquisitions included the Australasian operations of UK-based Bibby Financial Services and the outstanding loans and arrangements of clients with GE Commercial Debtor Finance and Suncorp's Debtor Finance portfolio. The acquisitions also delivered strategic and financial outcomes including incremental earnings and cost savings from operational synergies. Additional distributions from this exit are expected to flow to VPEG when Next Capital Fund II sells the remaining 50% of its holding which was released from escrow subsequent to 30 June 2017.

During March 2017, Equity Partners 3, completed the sale of investee E-Co Products Group (formerly HRV) in a trade sale to New Zealand Exchange listed, Vector Limited. Vector Limited is New Zealand's leading energy solutions company. Over the term of the investment, E-Co Products focused on a growth strategy that included diversifying its product range to provide a total home solutions company. VPEG received its share of the total distribution during April, with the remaining proceeds from sale retained in escrow until the settlement of the retention period.

During April 2017, Advent V, completed the exit of investee company, Orionstone following the successful recapitalisation and merger with ASX listed Emeco Holdings Limited and Andy's Earthmovers Pty Ltd. The shares acquired in Emeco Limited from the merger, were sold by Advent V in an off-market transaction to an International Investment Fund Manager. The merger with the aforementioned entities was the result of strategic initiatives undertaken by management and Advent V to ensure the viability of the business as a result of the protracted down turn in the mining industry as a result of volatility of commodity prices.

In summary, the three exits from the portfolio during FY17 have delivered VPEG a **weighted average 3.0 X return on investment** into those companies across an average holding period of 5.3 years.

Partial Exits During FY17

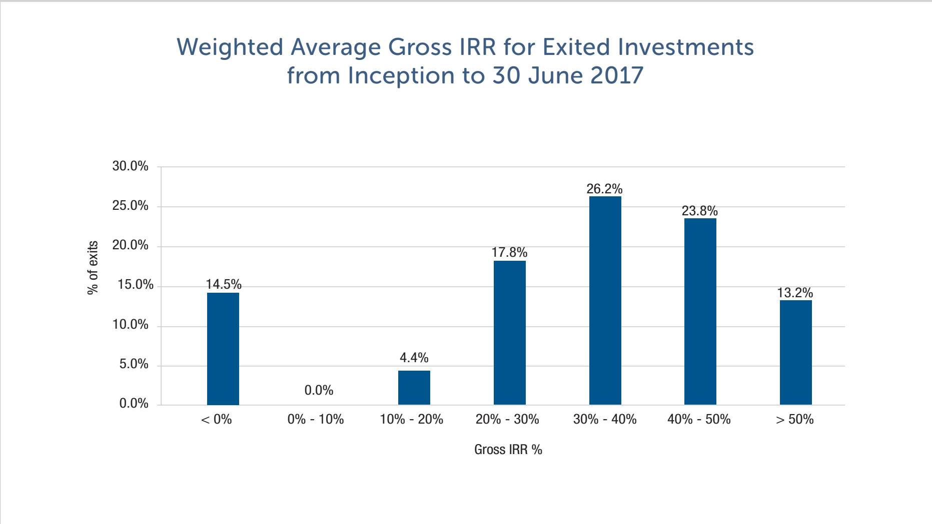
In addition to the sale or IPO of underlying company investments detailed above, the sell down of another investment by one other underlying portfolio company led to further returns to VPEG.

During the year, **Next Capital II** investee, Next Athleisure, sold its interests in the Glue Store and Trend Imports businesses to UK listed retailer Fashion Plc.

As a result of the three completed exits and additional distributions received from Next Athleisure, as well as dividends received from Catalyst Buyout Fund II's previously exited investee Adairs Limited, a total of $4.295m in cash distributions were received by VPEG during the year. From a tax perspective the cash distributions received were spread across; Income, Dividends (franked), Capital Gain and Return of Capital.

The graph below details the movement in the weighted average Gross Internal Rate of Return (IRR) from VPEG's underlying investments exited since commencement through to 30 June 2017. As illustrated below, approximately 81.0% of investments exited to date have achieved a Gross IRR of more than 20% at exit.

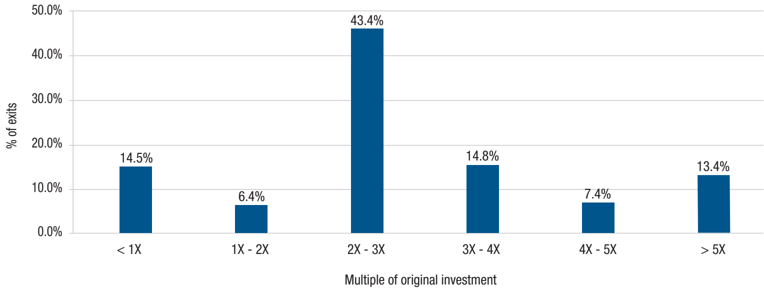
As a result, the total weighted average Gross IRR delivered across all 30 exits achieved to date from VPEG's underlying portfolio is 27.5%



The graph on the next page details the movement in the gross weighted average multiple of original invested capital for VPEG's underlying exited investments since commencement through to 30 June 2017. As illustrated below, approximately 79.1% of investments exited to date have achieved a greater than 2 X cost of original investment into those companies.

As a result, the total weighted average multiple of original investment delivered across all 30 exits achieved to date from VPEG's underlying portfolio is 2.95 X the cost of the original investment into those companies.

Multiple of Original Investment Received from Exited Investments Since Inception to 30 June 2017



Financial Performance of Company

During the year total income received by the company increased by 57.3% from $2.52m in FY16 to $3.96m for FY17. The breakdown of income for FY17 compared with FY16 is shown in the table below.

SOURCE OF INCOME	FY17 $'000'S	FY16 $'000'S	% CHANGE
Interest on Cash & Term Deposits	65	126	(48.4%)
Income Received From Underlying Private Equity Funds	3,899	2,394	62.9%
Total	**3,964**	**2,520**	**57.3%**

As detailed above, the contribution to total income from interest on cash and term deposits fell by 48.4% from $126k to $65k. 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 1.75% as at 1 July 2015 to 1.5% on 3 August 2016 until the end of the financial year.

There was also a lift in the level of income & capital gain distributions received from VPEG's underlying Private Equity investments which increased by 62.9% from $2.4m during FY16 to $3.9m for FY17.

DIRECTORS' REPORT

A further $396k in distributions were also received during the year from VPEG's underlying Private Equity funds in the form of return of capital. This represented a 79% decrease from the $1.87m return of capital received by VPEG during FY16.

VPEG's total funds invested in cash and term deposits decreased by 47.6% across the year from $10.29m at 30 June 2016 to $5.36m at 30 June 2017. The decrease in these liquid investments resulted predominately from distributions paid to VPEG shareholders during the year.

During the year there was a 27.0% reduction in the value of funds invested in underlying private equity investments from $14.1m to $10.3m. This was primarily attributed to the value of exits from the underlying private equity portfolio exceeding the value of follow on investments added to the portfolio.

During the year there was one write-off within the underlying portfolio. As a result an impairment expense was incurred by VPEG. VPEG's share of the write down equated to $858k as at 30 June 2017 (2016: $630k). The realised write-off resulted from the remaining assets of Next Athleisure being placed into Voluntary Administration on 24 May 2017.

The average interest rate earned on VPEG's cash and term deposits during the period was 1.9% p.a. Once again the interest rate earned during the period by VPEG's liquid investments outperformed the RBA cash rate, which having reduced from 1.75% p.a. at 1 July 2016 to 1.5% on 3 August 2016, where it remained until the end of the year.

Operational costs incurred by the company during the year decreased by 27.7% from $0.664m during FY16 to $0.480m (excluding impairment) for FY17.

Primarily as a result of the increase in income outweighing expenses across FY17, VPEG's profit before tax increased by 114.4% from $1.23m for FY16 to $2.63m for FY17.

In addition, due to the increase in the total taxable distributions received by VPEG from underlying private equity fund investments during the year, VPEG's Income tax expense increased from $0.145m in FY16 to $0.845m in FY17, representing an effective income tax rate for VPEG for FY17 of 32.2% (2016: 11.8%).

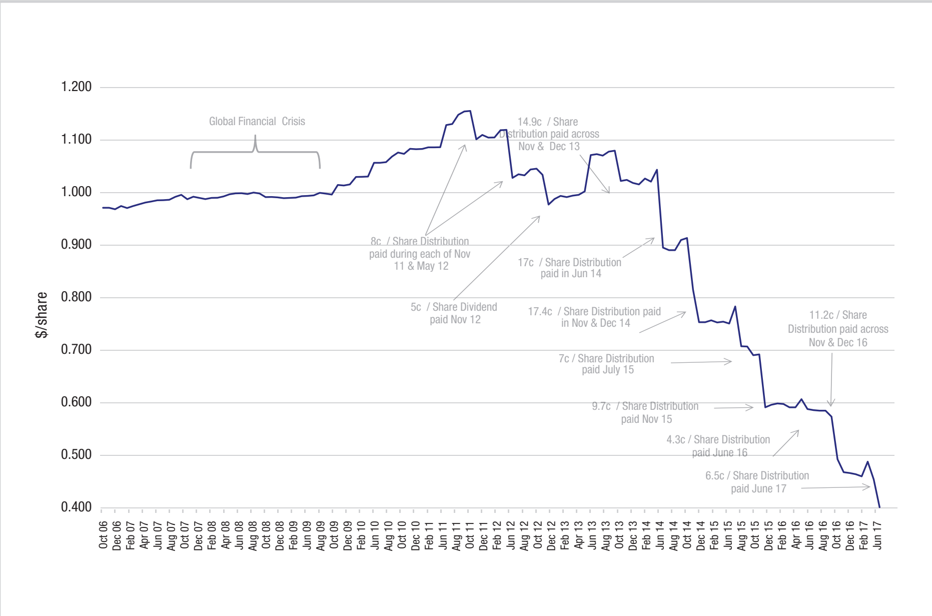
The resulting post tax profit for the company for the year was $1.78m, which was 64.9% higher than the $1.08m booked for FY16. Furthermore, Retained Earnings reduced from $3.932m to $3.065m, predominately due to the payout of dividend distributions to shareholders during the year.

Change Post Tax NAV / Share

During the period the company's post tax Net Asset Value (NAV) per share decreased from $0.586 to $0.404 resulting predominately from the distributions paid during the period.

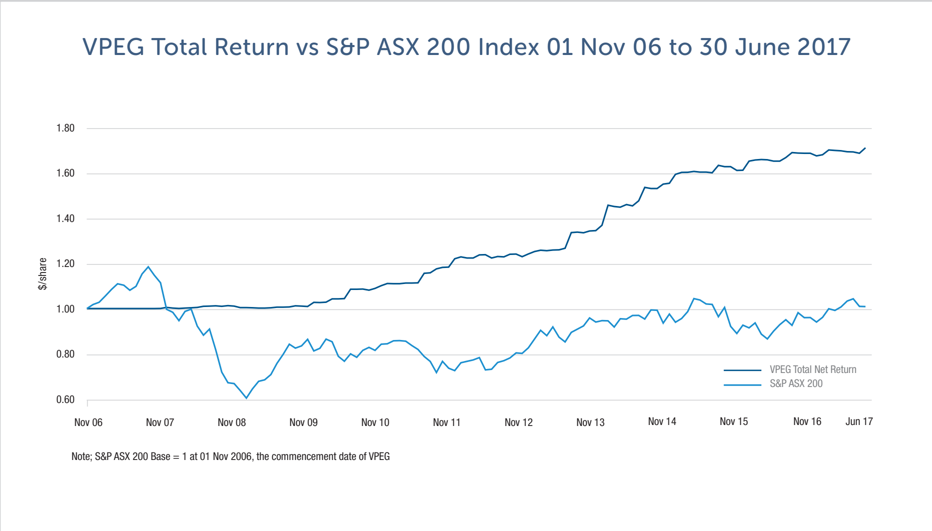
Taking into account the 17.7c per share in cash distributions paid to Shareholders during FY17 and an additional 3.21c per share in franking credits also distributed, the improvement in total shareholder value represented a gain of 4.3%.

The graph below details the movement in VPEG's post tax NAV per share since commencement through to 30 June 2017.

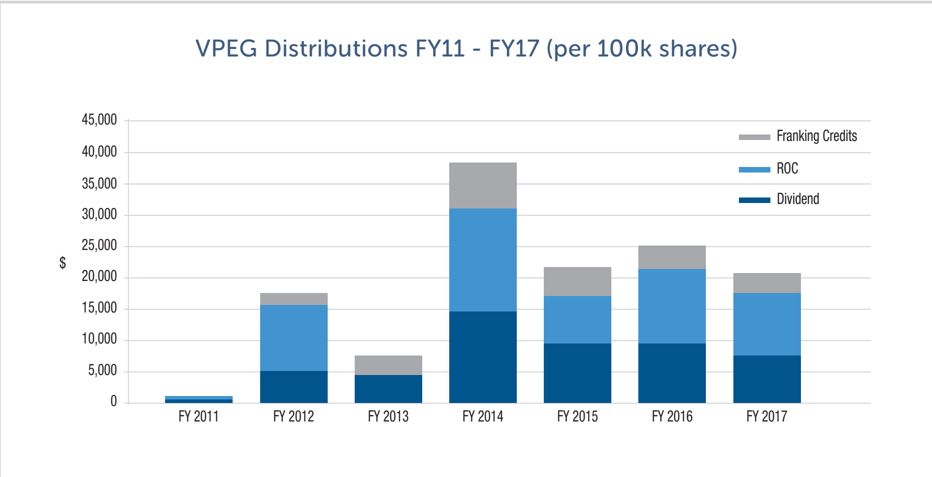


VPEG's Net Return to Shareholders Outperforms Listed Markets

VPEG's Total Net Return to shareholders since inception through to 30 June 2017 demonstrates it's outperformance and low correlation to public equity market returns.



The chart below details the VPEG distributions made to unit holders since 2011 per 100,000 shares held. As demonstrated by the chart, VPEG has paid total distributions of $132,111 (including franking credits) per $100,000 invested, across the past 7 years with $106,025 of these distributions paid since November 2013.



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

Subsequent to 30 June 2017, three additional exits from the underlying portfolio were announced by underlying investee funds. The September 2017 quarter report will provide details of these exits.

Up to date details about VPEG's portfolio is provided within the investor quarterly reports, available on the company's website at www.vpeg.info. 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 2017 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. In addition, management and Board of the Company are currently considering all possible alternatives for the disposal of the remaining investments of the Company.

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 Chubb Insurance Australia Limited, Chairman of BGP Holdings PLC, Director of Ramsay Healthcare Limited and a Director of Destination NSW. Rod is also deputy Chairman of the Sydney Cricket and Sports Ground Trust. Rod was also previously a member of the International Advisory board of Morgan Stanley Dean Witter, one of the world's leading financial institutions and also the Honorary Chairman of the Trans-Tasman Business Circle and the Co-Chairman of the Australia New Zealand Leadership Forum.

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

Rod was awarded membership of the Order of Australia for services to Law and the Community in 1990. In 2013 Rod was made an Officer of the Order of Australia (AO) for distinguished service to the community through contributions to a range of organisations and to sport, particularly through leadership in securing the Sydney Olympic Games.

Special responsibilities

Chairman of the Board and member of the Audit Committee.

Patrick Handley B.Com., MBA.

Non Executive Director

Experience and expertise

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

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

Pat holds a Bachelor of Commerce in Economics and Mathematics from Indiana University and an MBA from Ohio State University.

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 former board positions include SAS Trustee Corporation, a NSW Government employee superannuation fund, its financial planning subsidiary State Plus. 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 also holds positions on the Investor Review Committees of the Australian Prime Property Funds.

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 profession 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 2017, 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*	5	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 (2015: $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.

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
30 October 2016

AUDITOR' S INDEPENDENCE DECLARATION

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

As lead auditor for the audit of Vantage Private Equity Growth Limited for the financial year ended 30 June 2017, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Daniel Cunningham
Partner
30 October 2017

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	FOR THE YEAR ENDED 30 JUNE 2017 $'000	FOR THE YEAR ENDED 30 JUNE 2016 $'000
Investment income from ordinary activities	6	3,964	2,520
Expenses			
Management Fees	19(b)	(242)	(333)
Custody fees		(12)	(18)
Consulting fees		(21)	(21)
Audit fees		(23)	(68)
Share registry fees		(27)	(22)
Directors' fees		(108)	(154)
Accounting fees		(24)	(22)
Impairment expense		(858)	(631)
Other expenses		(23)	(26)
Total expenses before finance cost		**(1,338)**	**(1,295)**
Profit before income tax		2,626	1,225
Income tax expense	7(a)	(845)	(145)
Net profit for the year		**1,781**	**1,080**
Other comprehensive income			
Items that may be reclassified to profit or loss			
Changes in fair value of available for sale financial assets	14(a)	(2,800)	(657)
Income tax on items of other comprehensive income	7(c)	840	197
Other comprehensive loss for the year, net of tax		**(1,960)**	**(460)**
Total comprehensive income for the year		**(179)**	**620**

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

VANTAGE PRIVATE EQUITY GROWTH LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	NOTE	AS AT 30 JUNE 2017 $'000	AS AT 30 JUNE 2016 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	2,317	5,358
Trade and other receivables	9	7	51
Other current assets		7	7
Total current assets		**2,331**	**5,416**
Non-current assets			
Available for sale financial assets	10	10,253	14,098
Deferred tax assets	11	2,345	1,700
Total non-current assets		**12,598**	**15,798**
Total assets		**14,929**	**21,214**
LIABILITIES			
Current liabilities			
Trade and other payables	12	72	146
Current tax liabilities		571	347
Total current liabilities		**643**	**493**
Total liabilities		**643**	**493**
Net assets		**14,286**	**20,721**
EQUITY			
Issued capital	13	15,607	19,215
Reserves	14	(4,386)	(2,426)
Retained earnings	14	3,065	3,932
Total equity		**14,286**	**20,721**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

VANTAGE PRIVATE EQUITY GROWTH LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	NOTE	ISSUED CAPITAL $'000	RETAINED EARNINGS $'000	RESERVES $'000	TOTAL EQUITY $'000
Balance at 1 July 2015		20,736	6,283	(1,966)	25,053
Net profit for the year		-	1,080	-	1,080
Other comprehensive income for the year					
Net fair value movement on available for sale financial assets (net of tax)		-	-	(460)	(460)
Total comprehensive income/(loss) for the year		-	-	(460)	(460)
Transactions with owners in their capacity as owners:					
Return of capital		(1,521)	-	-	(1,521)
Dividends provided for or paid	15	-	(3,431)	-	(2,648)
		(1,521)	(3,431)	-	(4,952)
Balance at 30 June 2016		19,215	3,932	(2,426)	20,721
Net profit for the year		-	1,781	-	1,781
Other comprehensive income for the year					
Net fair value movement on available for sale financial assets (net of tax)		-	-	(1,960)	(1,960)
Total comprehensive income/(loss) for the year		-	-	(1,960)	(1,960)
Transactions with owners in their capacity as owners:					
Return of capital		(3,608)	-	-	(3,608)
Dividends provided for or paid	15	-	(2,648)	-	(3,431)
		(3,608)	(2,648)	-	(6,256)
Balance at 30 June 2017		15,607	3,065	(4,386)	14,286

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 2017

	NOTE	YEAR ENDED 30 JUNE 2017 $'000	YEAR ENDED 30 JUNE 2016 $'000
Cash flows from operating activities			
Distributions received		3,918	2,398
Interest received		89	111
Income taxes paid		(426)	(1,259)
Expenses paid		(553)	(664)
Net cash inflow from operating activities	20	**3,028**	**586**
Cash flows from investing activities			
Payments for available for sale financial assets		(209)	(462)
Return of capital on investments		396	2,368
Net cash inflow from investing activities		**187**	**1,906**
Cash flows from financing activities			
Dividends paid to Company's shareholders		(2,648)	(3,431)
Return of capital to Company's shareholders		(3,608)	(3,997)
Net cash (outflow) from financing activities		**(6,256)**	**(7,428)**
Net decrease in cash and cash equivalents		(3,041)	(4,936)
Cash and cash equivalents at the beginning of the year		5,358	10,294
Cash and cash equivalents at the end of the year	8	**2,317**	**5,358**

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 2017. 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 30 October 2017.

(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 2016 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 2017 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 2017. 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 will adopt AASB 9 in the financial year ending 30 June 2018.

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (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 will adopt AASB 15 in the financial year ending 30 June 2018.

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).

2. Summary of significant accounting policies (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 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)

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.

(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.

(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.

(l) Rounding of amounts

The Company is of a kind referred to in ASIC Instrument 2016/191, 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.

(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).

(i) Recognised fair value measurements

The following table presents the Company's assets and liabilities measured and recognised at fair value at 30 June 2017.

	LEVEL 1 $'000	LEVEL 2 $'000	LEVEL 3 $'000	TOTAL $'000
Recurring fair value measurements At 30 June 2017				
Financial assets				
Available-for-sale financial assets				
Unlisted private equity funds	-	10,253	-	10,253
Total financial assets	**-**	**10,253**	**-**	**10,253**
Recurring fair value measurements At 30 June 2016				
Financial assets				
Available-for-sale financial assets				
Unlisted private equity funds	-	14,098	-	14,098
Total financial assets	**-**	**14,098**	**-**	**14,098**

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

	NOTE	2017 $'000	2016 $'000
From continuing operations			
Distributions		3,899	2,394
Interest		65	126
Total distribution income		**3,964**	**2,520**

7. Income tax expense

	NOTE	2017 $'000	2016 $'000
(a) Income tax expense through profit or loss			
Current tax expense		839	338
Deferred tax benefit		6	(193)
		845	**145**
Deferred income tax benefit included in income tax expense comprises:			
Increase / (decrease) in deferred tax	11	195	(193)
Increase / (decrease) in under provision		(189)	-
		6	**(193)**
(b) Numerical reconciliation of income tax expense to prima facie tax payable			
- Profit before income tax		2,626	1,225
- Tax at the Australian tax rate of 30% (2016 - 30%)		788	368
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
- Other items		57	(223)
- Income tax expense		**845**	**145**
(c) Tax expense (income) relating to items of other comprehensive income			
Net unrealised gains/(losses) on investments taken to equity		**(840)**	**(197)**

8. Current assets - Cash and cash equivalents

	2017 $'000	2016 $'000
Current assets		
Bank accounts	2,317	1,892
Short term money market	-	3,466
	2,317	**5,358**
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
Cash and cash equivalents	**2,317**	**5,358**

9. Current assets - Trade and other receivables

	2017 $'000	2016 $'000
Distribution receivable	-	19
GST receivable	7	8
Interest receivable	-	24
Total other receivables	**7**	**51**

(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

	2017 $'000	2016 $'000
Unlisted private equity funds	**10,253**	**14,098**

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

	2017 $'000	2016 $'000
The balance comprises temporary differences attributable to:		
Other	12	207
Net unrealised loss on available for sale financial assets	2,333	1,493
	2,345	**1,700**
Movements:		
Opening balance	1,700	1,310
Charged/credited:		
- to statement of comprehensive income	(195)	193
- directly to equity	840	197
	2,345	**1,700**

12. Current liabilities - Trade and other payables

	2017 $'000	2016 $'000
Management fees payable	16	27
Custodian fees payable	-	18
Audit and taxation fees payable	41	82
Other payables	15	19
	72	**146**

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 units

	30 JUNE 2017 SHARES '000	30 JUNE 2016 SHARES '000	30 JUNE 2017 $'000	30 JUNE 2016 $'000
(a) Share capital				
Ordinary shares - fully paid	35,373	35,373	15,607	19,069
Share subscription option reserve	-	7,042	-	146
	35,373	**42,415**	**15,607**	**19,215**

	NUMBER OF SHARES '000	$'000
(b) Movements in ordinary share capital		
Opening balance 1 July 2015	35,373	20,736
Return of capital	-	(1,521)
Closing balance 30 June 2016	**35,373**	**19,215**
Opening balance 1 July 2016	35,373	19,215
Return of capital	-	(3,608)
Closing balance 30 June 2017	**35,373**	**15,607**

	2017 $'000	2016 $'000
(c) Movements in share subscriber options reserve		
Opening balance 1 July 2015	7,042	146
Return of capital	-	-
Closing balance 30 June 2016	**7,042**	**146**
Opening balance 1 July 2016	7,042	146
Expiry of share subscriber options	(7,042)	(146)
Closing balance 30 June 2017	**-**	**-**

(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

All options granted to the non-executive directors expired on 1 November 2015. The charge to the profit or loss was $0 during the year (2016: $0).

14. Reserves and retained earnings

	NOTE	2017 $'000	2016 $'000
(a) Reserves			
Available for sale investments revaluation reserve		(4,400)	(2,440)
Share-based payments reserve		14	14
		(4,386)	**(2,426)**
Movements			
Available for sale investments revaluation reserve			
Opening balance		(2,440)	(1,980)
Net change on available for sale financial assets		(2,800)	(657)
Income tax on items taken directly to or transferred from equity	11	840	197
Closing balance		**(4,400)**	**(2,440)**
Return on investments			
Distributions (including dividends)	6	3,899	2,394
Net change on available for sale financial assets		(2,800)	(657)
Total return during the year		**1,099**	**1,737**

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.

14. Reserves and retained earnings (continued)

	NOTES	2017 $'000	2016 $'000
(b) Retained earnings			
Movements in retained earnings were as follows:			
Balance 1 July		3,932	6,283
Net profit for the year		1,781	1,080
Dividends		(2,648)	(3,431)
Balance 30 June		**3,065**	**3,932**

15. Dividends

	YEAR ENDED 2017 $'000	YEAR ENDED 2016 $'000
a) Ordinary shares		
Dividend paid during the year ended 30 June Fully franked dividend paid during the year ended 30 June 2017 7.49 cents per share (2016: 9.7 cents per share)	2,648	3,431
	2,648	**3,431**

16. 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

	YEAR ENDED 2017 $	YEAR ENDED 2016 $
Short-term employee benefits	**107,782**	**154,024**

Represented by non-executive directors fees.

17. Contingencies

The Company had no outstanding contingent assets and liabilities at 30 June 2017 (2016: 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 2017 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.

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 2017 $	YEAR ENDED 2016 $
Management fees paid or payable	**241,674**	333,281
Management fees payable at the end of the reporting period	**15,962**	26,782

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 2017 (2016: nil).

As at 30 June 2017, the Manager held 2 shares in the Company (2016: 2 shares).

19. Related party transactions (continued)

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

	2017 $'000	2016 $'000
Profit for the year	1,781	1,080
Adjustments for non-cash items in profit:		
Impairment expense	858	631
Change in operating assets and liabilities:		-
(Increase)/decrease in trade and other receivables	44	3
(Increase)/decrease in deferred tax assets	195	(579)
Increase/(decrease) in trade and other payables	(74)	(14)
Increase in provision for income taxes payable	224	(535)
Net cash inflow from operating activities	**3,028**	**586**

21. 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.

22. Share-based payments and option plan

All options granted to the non-executive directors expired on 1 November 2015. The charge to the profit or loss was $0 during the year (2016: $0).

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 22 to 43 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

  and

  (ii) giving a true and fair view of the entity's financial position as at 30 June 2017 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
Director

Michael Tobin
Director

Sydney
30 October 2017

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Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

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

Opinion

We have audited the accompanying financial report of Vantage Private Equity Limited, which comprises the statement of financial position as at 30 June 2017, 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. In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year ended on that date; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

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Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Daniel Cunningham
Partner
30 October 2017

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INVESTMENT MANAGER

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Asset Management