

2015

Annual Report



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CORPORATE DIRECTORY

REGISTERED OFFICE

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58 Mounts Bay Road
Perth WA 6000

Telephone: (08) 9321 7877
Facsimile: (08) 9321 8288
Website: www.ozgrowth.com.au

AUDITORS

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

BANKERS

Westpac Banking Corporation
109 St George's Terrace
Perth WA 6000

SHARE REGISTRY

Computershare Investor Services Pty Ltd
Level 11, 172 St Georges Terrace
Perth WA 6000

Telephone: 1300 787 272

BOARD OF DIRECTORS

Jay Hughes
Non Executive Chairman

Philip Rees
Executive Director

Dermot Woods
Non Executive Director

Stephen Tucker
Non Executive Director

Michael Jefferies
Non Executive Director

Chris Webster
Company Secretary

Chairman's Report and the Period in Review

On behalf of my fellow Directors, I am pleased to provide the 2015 Annual Report for the Company.

Significant results of the year include:

- A net loss after tax of \$12,108,108 was generated. This compares to a net profit after tax in the prior year of \$10,661,804;
- A final dividend of 0.75 cents per share has been provided for in respect of the 2015 financial year (2014: 0.75 cents). An interim dividend of 0.75 cents per share was paid in February 2015 (2014: 0.75 cents);
- Net tangible assets per share after allowance for tax on unrealised profits/losses (NTA) moved from 22.6 cents to 17.7 cents after allowance for the 1.5 cent per share dividend over the period. These figures are calculated by dividing the total net assets as set out in the Statement of Financial Position by the number of ordinary shares on issue as at the reporting date and is after allowance for dividends and all costs and tax on unrealised gains in our investment portfolio.

For more detailed information on the investment performance and portfolio of the Company, I refer you to the Investment Manager's Report on page 4.

Our financial results from the past year reflect the difficult conditions we have faced in the markets we are exposed to. A significant shift in commodity prices flowed through to the majority of opportunities we monitor and those included in our portfolio. Whilst we have been able to report an improvement in our returns over the last 6 months, the previously reported poor performance of our portfolio in the December 2014 half year resulted in an overall loss for the financial year.

Our activities over the year reflected a response to these conditions, with key features being an increased exposure to industrial companies and cash at the expense of our resources holdings. We have also taken the opportunity to take some meaningful stakes in small, early stage opportunities that meet our investment criteria. Having refocussed our portfolio, we are now in a position that allows us to move forward from a more stable base.

Our overriding investment strategy remains to hold a concentrated portfolio of smaller ASX listed securities to generate positive returns for shareholders. This allows us to consider a broad range of opportunities, but it is expected that a majority of these will have a connection to Western Australia.

Macro factors that influence the outlook for local opportunities will ebb and flow over time. These changes influence underlying value and market price, thereby continuing to create attractive entry and exit opportunities for us. In challenging periods in our core area of focus, we are able to consider other investments that meet our objectives and some of these are now represented in our portfolio.

As shareholders would be aware, we have a policy of paying a consistent stream of dividends to shareholders. In the last year, I am pleased we have been able to continue these payments despite the lack of current period profits. We have now paid out almost \$30 million in dividends since inception of the company in 2008. Future dividend levels will be set after considering the level of realised net profits after tax, retained earnings and availability of franking credits.

I encourage shareholders and other interested parties to participate in our shareholder communication program. If you have not already done so, you can register for our regular email updates at our website: www.ozgrowth.com.au. We hope to provide useful information on our activities throughout the year and welcome feedback to enhance this.

I look forward to reporting on results as we move forward.

Yours sincerely



Jay Hughes
Non Executive Chairman



About Ozgrowth

- Ozgrowth Limited is a listed investment company (ASX code: OZG) that focuses on producing a positive return on funds invested.
- It was formed on 9 July 2007 and raised its initial capital for investment in December 2007. As at 30 June 2015, it had \$62,090,605 of assets in its investment portfolio.
- The company has appointed Westoz Funds Management Pty Ltd as manager to oversee the investment of its portfolio of assets. This manager is a wholly owned subsidiary of Euroz Limited (ASX: EZL) a diversified wealth management company listed on the ASX.
- The investment mandate set is to identify undervalued companies listed on the Australian Securities Exchange and to invest to produce a positive return. Because of the geographic location of the manager, it is anticipated that the majority of situations identified will have a connection to Western Australia and will have a market capitalisation of less than \$1,000 million.
- Ozgrowth Limited will consider investments in small companies, as well as suitable unlisted opportunities.
- The manager is paid a base fee of 1% per annum of funds managed. In addition, where performance exceeds 7% over a twelve month period to the end of June, a performance fee is paid to the manager.

Investment Manager's Report

Portfolio Return

The Company invests in small to mid-sized companies, generally listed on the Australian Securities Exchange and with some connection to Western Australia. The portfolio of assets is managed to generate a positive return regardless of movements in the broader equity market.

To assist in an assessment of performance, the rate of return before fees and taxes is calculated. The figure is calculated by dividing the gain (or loss) in value of the portfolio, net of external flows, by the average portfolio value over the period of measurement. Portfolio value is determined by reference to current market value of underlying investments. Monthly periods are used and then geometrically linked to arrive at an annual return. This figure is not audited.

The last twelve months of investment activity generated an investment return of -20.8% before allowance for fees and taxes (2014: 24.1%).

It is the objective of the manager to produce positive investment returns over the medium to long term, thereby boosting the net asset backing per share (NTA) and allowing for the payment of dividends.

The figures presented for information regarding NTA are on a per share basis and after allowance for all realized and unrealized costs, dividends and provision is made for tax payable on unrealized gains.

At 30 June 2015, the net assets per share was 17.7 cents (2014: 22.6 cents).

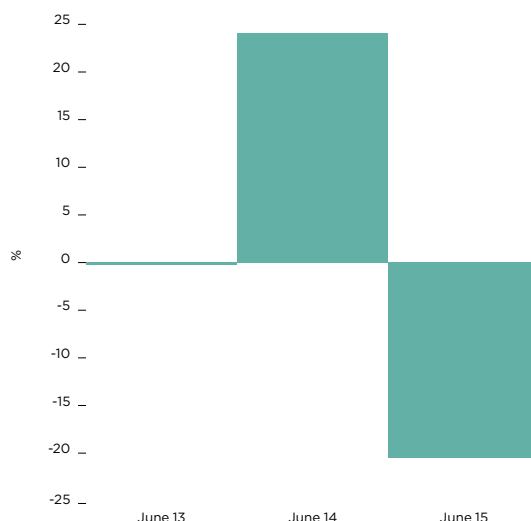
At 30 June 2015, a provision for payment of 0.75 cent per share by way of dividend was made. This dividend is expected to be paid in August 2015. At 30 June 2014 provision for a 0.75 cent per share dividend was made.

Asset Allocation

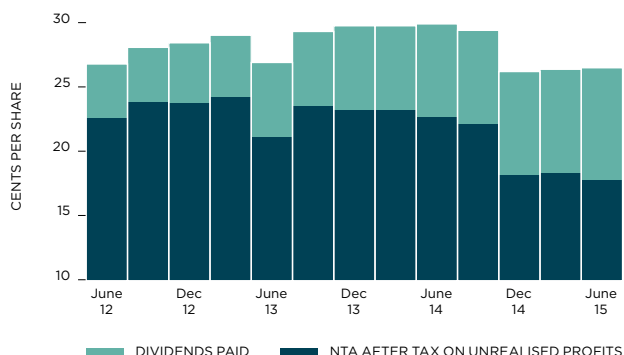
Cash levels rose over the twelve month period, peaking at 34% of assets in the March quarter. A reduction in resources exposure has been the main source of the higher cash levels.

At year end, investments were held in 30 separate companies. One of these holdings is currently unlisted.

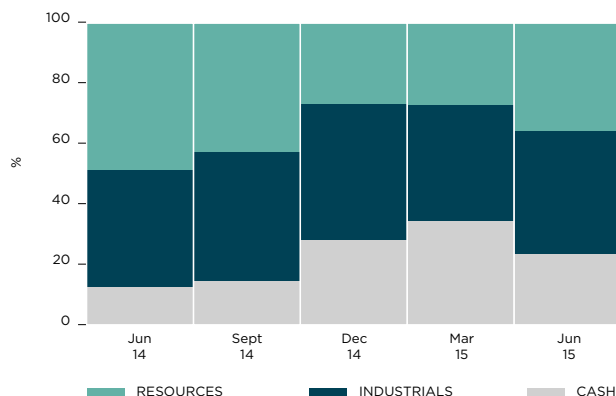
PORTFOLIO PERFORMANCE %



NET ASSETS PER SHARE (¢)



ASSETS ALLOCATION (%)



INDUSTRIALS	NUMBER OF SHARES	FAIR VALUE AT 30 JUNE 2015	RESOURCES	NUMBER OF SHARES	FAIR VALUE AT 30 JUNE 2015
Automotive Holdings Group Limited	850,000	3,391,500	Aquarius Platinum Limited	3,173,001	444,220
Cedar Woods Properties Limited	2,365,107	12,440,463	Cooper Energy Limited	14,210,000	3,481,450
Decmil Group Limited	745,568	857,403	Emerald Resources NL	32,000,000	640,000
Finbar Group Limited	2,035,000	2,421,650	Energia Minerals Limited	40,000,000	2,160,000
Fleetwood Corporation Limited	435,093	596,077	Medusa Mining Limited	2,030,000	1,684,900
Garda Diversified Property Fund	700,000	700,000	Mineral Deposits Limited	220,971	180,091
Genworth Mortgage Insurance Australia Limited	150,000	469,500	Mount Gibson Iron Limited	10,699,691	2,086,440
Moboom Limited	1,102,916	220,583	Red Hill Iron Limited	1,602,500	1,282,000
NRW Holdings Limited	750,000	135,000	Sandfire Resources NL	140,000	805,000
Peet Limited	611,575	694,138	Sino Gas & Energy Holdings Limited	5,162,082	645,260
QMS Media Limited	923,076	710,769	Sundance Energy Australia Limited	1,275,697	644,227
Seafarms Group Limited	11,880,000	1,081,080	Tap Oil Limited	6,622,863	2,384,231
Skilled Group Limited	500,000	847,500	Teranga Gold Corporation	691,778	511,916
Southern Cross Electrical Engineering Ltd	3,148,930	944,679	Troy Resources Limited	7,600,000	2,736,000
Swick Mining Services Ltd	3,500,000	472,500	Western Areas Limited	760,000	2,447,200
Total Industrials		25,982,842	Total Resources		22,132,935
Cash, net of outstanding settlements					13,974,828
Total					62,090,605

Outlook

As we leave the 2015 financial year, we have again encountered a volatile resources market influenced by significant movements in underlying commodity prices. These factors have influenced a wide range of the opportunities that we monitor, impacting both market price and our assessment of value.

Whilst we expect markets to remain volatile in the coming period, this in itself creates opportunities for us. With a significant cash position at balance date, we believe we are well placed to take advantage of opportunities as they arise to generate the desired level of return on our portfolio.

Board of Directors

Mr Stephen Tucker

Non Executive Director

Mr Tucker is a Non Executive Director of the Company and serves on the Company's Audit Committee. He is also the Non Executive Chairman of Prodigy Investment Partners Limited, a Non Executive Director of Westoz Investment Company Limited (appointed 3 June 2014) and Westoz Funds Management Pty Ltd, the manager of the Company's assets. Mr Tucker is Non Executive Chairman of Koda Capital Pty Ltd, a Non Executive Director of Vocation Limited (appointed 6 November 2013), and the Banking and Finance Oath. He is a Fellow of the Financial Services Institute of Australia and a member of the Australian Institute of Company Directors. Mr Tucker holds a Bachelor of Economics.

Dermot Woods

Non Executive Director

Mr Woods is a Non Executive Director of the Company and serves on the Company's Audit Committee. He is also a Non Executive Director of Westoz Investment Company Limited (appointed 5 November 2013) and an Executive Director of Westoz Funds Management Pty Ltd, the manager of the Company's assets. Mr Woods has a Bachelor of Commerce Degree and is a Chartered Financial Analyst.



Mr Michael Jefferies

Non Executive Director

Mr Jefferies is a Non Executive Director of the Company, and serves on the Company's Audit Committee. He currently is Chairman of Touchcorp Holdings Limited (appointed 28 June 2004) and a Non Executive Director of Resimac Limited (appointed 1 April 2014) and was formerly a director of Tower Limited (appointed 19 December 2006, resigned 5 February 2014), Capral Limited (appointed 6 November 2008, resigned 15 April 2013), ClearView Wealth Limited (appointed 4 November 2008, resigned 11 October 2012) and Metals X Limited (appointed 14 June 2004, resigned 10 May 2012). Mr Jefferies is a Chartered Accountant and holds a Bachelor of Commerce Degree.

Jay Hughes

Non Executive Chairman

Mr Hughes is a Non Executive Director of the Company, and serves on the Company's Audit Committee. He is an Executive Director of Euroz Limited (appointed 20 November 2000), Non Executive Director of Westoz Investment Company Limited (appointed 11 March 2005) and Prodigy Investment Partners Limited. Mr Hughes holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He was recognized as an affiliate of ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Stockbrokers Association of Australia.

Philip Rees

Executive Director

Mr Rees is Executive Director of the Company. He is also Executive Director of Westoz Investment Company Limited (appointed 11 March 2005) and Executive Director of Westoz Funds Management Pty Ltd, the manager of the Company's assets. Mr Rees has a Bachelor of Commerce Degree and is a Chartered Financial Analyst. He is also a Senior Fellow of the Financial Services Institute of Australia, a Certified Practicing Accountant and a Fellow of the Chartered Institute of Secretaries.

2015

Financial Report

For the year ended June 30

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Directors' Report

Your Directors submit their report for the year ended 30 June 2015.

1. Directors

The names of the Directors of the Company in office during the financial period and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated

Jay Hughes
Philip Rees
Dermot Woods
Michael Jefferies
Stephen Tucker

Jay Hughes, Non Executive Chairman

Mr Hughes is a Non Executive Director of the Company, and serves on the Company's Audit Committee. He is an Executive Director of Euroz Limited (appointed 20 November 2000), Non Executive Director of Westoz Investment Company Limited (appointed 11 March 2005) and Prodigy Investment Partners Limited. Mr Hughes holds a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia. He was recognized as an affiliate of ASX in December 2000 and was admitted in May 2004 as a Practitioner Member (Master Stockbroking) of the Stockbrokers Association of Australia.

Philip Rees, Executive Director

Mr Rees is Executive Director of the Company. He is also Executive Director of Westoz Investment Company Limited (appointed 11 March 2005) and Executive Director of Westoz Funds Management Pty Ltd, the manager of the Company's assets. Mr Rees has a Bachelor of Commerce Degree and is a Chartered Financial Analyst. He is also a Senior Fellow of the Financial Services Institute of Australia, a Certified Practising Accountant and a Fellow of the Chartered Institute of Secretaries.

2. Directors' Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year ended 30 June 2015 and the numbers of meetings attended by each Director were as follows:

	DIRECTORS' MEETINGS HELD DURING PERIOD	DIRECTORS' MEETINGS ATTENDED DURING PERIOD	AUDIT COMMITTEE MEETINGS HELD DURING PERIOD	AUDIT COMMITTEE MEETINGS ATTENDED DURING PERIOD
Philip Rees	8	8	-	-
Dermot Woods	8	7	-	-
Stephen Tucker	8	8	2	2
Jay Hughes	8	8	2	2
Michael Jefferies	8	8	2	2

Due to the size of the Board and the nature of the Company's operations, it does not have a separate Remuneration Committee or Nomination Committee. Matters normally considered by these committees are addressed by the full board.

Board of Directors' and Audit Committee meetings require that any two Directors or members be present to form a quorum.

Dermot Woods, Non Executive Director

Mr Woods is a Non Executive Director of the Company and serves on the Company's Audit Committee. He is also a Non Executive Director of Westoz Investment Company Limited (appointed 5 November 2013) and an Executive Director of Westoz Funds Management Pty Ltd, the manager of the Company's assets. Mr Woods has a Bachelor of Commerce Degree and is a Chartered Financial Analyst.

Mr Michael Jefferies, Non Executive Director

Mr Jefferies is a Non Executive Director of the Company, and serves on the Company's Audit Committee. He currently is Chairman of Touchcorp Holdings Limited (appointed 28 June 2004) and a Non Executive Director of Resimac Limited (appointed 1 April 2014) and was formerly a Director of Tower Limited (appointed 19 December 2006, resigned 5 February 2014), Capral Limited (appointed 6 November 2008, resigned 15 April 2013), ClearView Wealth Limited (appointed 4 November 2008, resigned 11 October 2012) and Metals X Limited (appointed 14 June 2004, resigned 10 May 2012). Mr Jefferies is a Chartered Accountant and holds a Bachelor of Commerce Degree.

Mr Stephen Tucker, Non Executive Director

Mr Tucker is a Non Executive Director of the Company and serves on the Company's Audit Committee. He is also a Non Executive Director of Westoz Investment Company Limited (appointed 3 June 2014) and Westoz Funds Management Pty Ltd, the manager of the Company's assets. Mr Tucker is Non Executive Chairman of Koda Capital Pty Ltd, a Non Executive Director of Vocation Limited (appointed 6 November 2013), and the Banking and Finance Oath. He is a Fellow of the Financial Services Institute of Australia and a member of the Australian Institute of Company Directors. Mr Tucker holds a Bachelor of Economics.

Directors' Report

3. Principal Activity and Nature of Operations

During the year, the principal activity of the economic entity was as an investment company.

4. Operating Results

For the year ended 30 June 2015, the company made an operating loss after tax of \$12,108,108 (2014: profit of \$10,661,804).

5. Dividends

An interim dividend of \$2,718,350 (0.75 cents per share) was paid on 24 February 2015 (2014: \$2,696,487).

The Board of Directors has recommended that a final dividend of \$2,707,480 (0.75 cents per share) be paid in respect of the 2015 financial year. This amount is provided in the 30 June 2015 financial statements (2014: \$2,696,487).

6. Review of Operations

The financial results of the company are driven by the gain or loss on its investment portfolio, which consists primarily of securities listed on the Australian Stock Exchange and short term cash deposits. Whilst the investment objective for the portfolio is to generate positive returns over the medium to long term, short term fluctuations in the broader equity market will influence results.

Apart from movements in the broader equity market, the key driver of income for the Company is the manager's ability to select appropriate investments. The majority of expenses are directly linked to the value of the portfolio managed and the level of return achieved.

For further information on the Company's operations, a Chairman's Report and Investment Managers Summary is included on pages 2 to 5 of this Annual Financial Report. This, together with the sections headed "Significant Changes in State of Affairs" and "Events Subsequent to Balance Date", provide a review of operations of the Company during the period and subsequent to reporting date.

7. Significant Changes in State of Affairs

There have been no significant changes in the state of affairs of the company.

8. Significant Events after the Balance Date

The Company has announced a planned issue of 36,099,723 Bonus Options to shareholders. These options are exercisable at 18 cents at any time on or before 31 August 2016.

As at 15 August 2015, the All Ordinaries Accumulation index has fallen approximately 1.0% since 30 June 2015.

There has not been any matter or circumstance that has arisen since the balance date that has 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 periods.

9. Likely Developments and Future Results

Future results will be driven by the outcome of the Company's investment strategy, which will in turn be influenced by the overall direction of equity markets. These returns are uncertain and are expected to vary significantly from year to year. The key risk to market returns will be influenced by a range of factors that cannot be predicted with any certainty and include the outlook for growth, inflation, commodity prices, interest rates, general economic conditions, natural disasters and government regulation. Market risk is managed by periodically moving into and out of equity positions.

The Chairman's Report, Directors Report and the Review of Operations contains further information on recent and likely future developments and results.

10. Directors' Interests

At the date of this report the interests of the Directors in the shares and options of the Company and related bodies corporate are:

DIRECTOR	ORDINARY SHARES	OPTIONS
Philip Rees		
Held Directly or Indirectly	1,082,030	100,000
Dermot Woods		
Held Directly or Indirectly	1,082,030	100,000
Stephen Tucker		
Held Directly or Indirectly	108,203	10,000
Jay Hughes		
Held Directly or Indirectly	1,000,000	100,000
Michael Jefferies		
Held Directly or Indirectly	500,000	50,000

Directors' Report

11. Share Options

As at the date of this report the Company has 34,476,161 options on issue. The options were issued pursuant to the Bonus Issue prospectus issued on 8 July 2014 to all shareholders. The offer made a bonus issue of one Option for every 10 Shares held by shareholders at the record date. These options are exercisable into 34,476,161 new ordinary shares in the Company that rank equally with other ordinary shares by the payment of 22.5 cents per option at any time up until expiry date of 31 August 2015.

Holders of Options will be permitted to participate in new issues of securities only following the prior exercise of the Option. An Option does not confer the right to a change in Exercise Price or a change in the number of Shares over which the Option can be exercised. In the event of any reconstruction (including consolidation, subdivision, reduction or returns) of the issued capital of the Company, the number of Options or Exercise Price or both shall be reconstructed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

12. Indemnification and Insurance of Directors and Officers

Ozgrowth Limited has made a deed of indemnity for all the Directors of the Company against all losses or liabilities incurred by each Director in their capacities as Directors of the Company. The company agreed to indemnify and keep indemnified the Director against all liabilities by the Director as a Director of the Company.

During the financial year, the Company paid an insurance premium in respect of a contract insuring each of the Officers of the Company. The amount of the premium is, under the terms of the insurance contract, confidential. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as Officers of the Company.

13. Remuneration Report (Audited)

The Board of Directors is responsible for determining and reviewing compensation arrangements for the executive team. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

The company had no employees during the year ended 30 June 2015 or 30 June 2014. Details of Key Management Personnel are as follows:

Jay Hughes	Chairman (non-executive)	Appointed 9 July 2007
Philip Rees	Executive Director	Appointed 31 October 2007
Dermot Woods	Director (non-executive)	Appointed 5 November 2013
Stephen Tucker	Director (non-executive)	Appointed 3 June 2014
Michael Jefferies	Director (non-executive)	Appointed 31 October 2007

Westoz Funds Management Pty provides Key Management Personnel services to Ozgrowth Limited as it has the authority for the management of the investment portfolio of Ozgrowth Limited.

The share and option holdings of KMP as at 30 June 2015 are as follows:

DIRECTOR	BALANCE 1 JULY 2014		NET CHANGE		BALANCE 30 JUNE 2015	
	SHARES	OPTIONS	SHARES ¹	OPTIONS ²	SHARES	OPTIONS
Philip Rees						
Held Directly and Indirectly	1,000,000	-	82,030	100,000	1,082,030	100,000
Jay Hughes						
Held Directly and Indirectly	1,000,000	-	-	100,000	1,000,000	100,000
Dermot Woods						
Held Directly and Indirectly	1,000,000	-	82,030	100,000	1,082,030	100,000
Steven Tucker						
Held Directly and Indirectly	100,000	-	8,203	10,000	108,203	10,000
Michael Jefferies						
Held Directly and Indirectly	500,000	-	-	50,000	500,000	50,000

1. Net Change in Shares reflects participation in Dividend Reinvestment Plan for Messrs Rees, Woods and Tucker.

2. The options were issued pursuant to the Bonus Issue prospectus issued on 8 July 2014 to all shareholders. The offer made a bonus issue of one Option for every 10 Shares held by shareholders at the record date.

Directors' Report

13. Remuneration Report (Audited) (cont'd)

DIRECTOR	BALANCE 1 JULY 2013		NET CHANGE OTHER		BALANCE 30 JUNE 2014	
	SHARES	OPTIONS	SHARES	OPTIONS	SHARES	OPTIONS
Philip Rees						
Held Directly and Indirectly	1,000,000	-	-	-	1,000,000	-
Jay Hughes						
Held Directly and Indirectly	1,000,000	-	-	-	1,000,000	-
Dermot Woods¹						
Held Directly and Indirectly	-	-	1,000,000	-	1,000,000	-
Steven Tucker²						
Held Directly and Indirectly	-	-	100,000	-	100,000	-
Michael Jefferies						
Held Directly and Indirectly	500,000	-	-	-	500,000	-

1. Appointed 5 November 2013, net change reflects initial interest at appointment

2. Appointed 6 June 2014, net change reflects initial interest at appointment

Mr Jefferies and Mr Tucker were remunerated in the 2015 financial year. Their services may be terminated by them at any time and otherwise by shareholder vote. Details of remuneration for the years ended 30 June 2015 and 30 June 2014 is as follows:

		SHORT-TERM	POST-EMPLOYMENT	TOTAL (\$)
		FEE (\$)	SUPERANNUATION (\$)	
S Tucker	2015	50,035	4,753	54,788
	2014	-	-	-
M Jefferies	2015	49,772	4,728	54,500
	2014	49,886	4,614	54,500

The elements of emoluments have been determined on the basis of the cost to the Company. Emoluments of Directors are not directly related to the performance of the Company.

The Directors of Ozgrowth Limited during the year or part thereof were Mr Philip Rees, Mr Jay Hughes, Mr Dermot Woods, Mr Stephen Tucker and Mr Michael Jefferies.

Westoz Funds Management Pty Ltd, a company of which Messrs Rees, Woods, Tucker and Hughes are Directors provides Key Management Personnel ("KMP") services to Ozgrowth Limited as it has the authority for the management of the investment portfolio of Ozgrowth Limited. Westoz Funds Management Pty Ltd received management fees from the Company for the management of its assets. Total management fees (inclusive of performance fees where applicable) of \$719,991 (2014: \$3,530,559) was charged in the period for these services. No performance fee in respect of the 2015 year was accrued in the period (2014 \$2,645,525). There was \$56,650 (2014: \$80,520) accrued for management fees payable as at 30 June 2015.

These fees were charged in accordance with a management agreement. The management fee is calculated at 1% per annum of funds managed. The performance fee as specified in the management agreement is payable where performance exceeds 7% over a twelve month period to end of June and is calculated at 20% of the performance exceeding the threshold. The manager is required to give three months written notice to terminate the agreement. The performance fee is based on the above performance condition to be able to link the performance of the company to the services provided by the fund manager.

No amount is paid by Ozgrowth Limited directly to the Directors of Westoz Funds Management Pty Ltd.

Euroz Securities Limited, a company of which Mr Hughes is a Director received brokerage fees for transactions undertaken by the company in respect of its investments. An amount of \$315,177 (2014: \$420,834) was paid in the year as brokerage to Euroz Securities Limited. \$1,918 of this brokerage was outstanding as at 30 June 2015 (2014: \$8,603).

The above transactions were entered into on normal commercial terms.

Directors' Report

13. Remuneration Report (Audited) (cont'd)

The short term incentive provided by the performance fee is payable once a nominated level of profitability is achieved in a financial year. The level of profitability is ultimately determined by the investment return on funds invested and is reflected in the earnings per share figure. The following table shows the link between company performance and shareholder wealth over the last 5 years:

FINANCIAL YEAR ENDING	EPS (CENTS)	SHARE PRICE AT BALANCE DATE (CENTS)
Jun-11	3.6	16.5
Jun-12	0.3	16.0
Jun-13	0.0	16.5
Jun-14	3.0	21.0
Jun-15	-3.4	16.0

There are no long term incentives payable.

(End of Remuneration Report)

14. Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Ozgrowth Limited support and have adopted a corporate governance plan. Details of the Corporate Governance Practices can be found at westozfunds.com.au/ozg/thecompany/corporate-governance

15. 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.

16. Auditor Independence

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included on page 13 and forms part of the Ozgrowth Limited's report for the year ended 30 June 2015.

17. Non Audit Services

The following non-audit services were provided by the company's auditor, Ernst & Young. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Ernst & Young received or are due to receive the following amounts for the provision of non-audit services:

	\$
Tax compliance services	15,000

Signed for and on behalf of the Directors in accordance with a resolution of the Board.



Jay Hughes
Non Executive Chairman

Dated: 17 August 2015
Perth, Western Australia

Auditor's Independence Declaration



Ernst & Young
11 Mounts Bay Road
Perth WA 6000 Australia
GPO Box M939 Perth WA 6843

Tel: +61 8 9429 2222
Fax: +61 8 9429 2436
ey.com/au

Auditor's Independence Declaration to the Directors of Ozgrowth Limited

In relation to our audit of the financial report of Ozgrowth 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

Fiona Drummond
Partner
17 August 2015

Statement of Comprehensive Income

		15	14
	NOTES	\$	\$
REVENUE			
Interest revenue		331,254	436,264
Dividend revenue		2,271,795	1,759,568
Other revenue		-	17,076
Total revenue		2,603,049	2,212,908
Changes in the fair value of investments designated at fair value through profit or loss upon initial recognition	4	(19,737,414)	15,990,738
		(17,134,365)	18,203,646
EXPENSES			
Managers fees	15(b)	719,991	3,530,559
Director fees		109,288	54,500
Professional fees		90,500	70,078
ASX Fees		65,333	39,516
Other Expenses	6	84,612	44,561
Total Expenses		1,069,724	3,739,214
(LOSS)/PROFIT BEFORE INCOME TAX EXPENSE		(18,204,089)	14,464,432
Income tax credit/(expense)	7	6,095,981	(3,802,628)
NET (LOSS)/PROFIT ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(12,108,108)	10,661,804
Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE PERIOD		(12,108,108)	10,661,804
(Loss)/Earnings per share (cents)			
- Basic and Diluted	16	(3.4)	3.0

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

Statement of Financial Position

		15	14
	NOTES	\$	\$
CURRENT ASSETS			
Cash and Cash Equivalents	19(a)	13,890,837	9,257,250
Other	9	316,105	1,584,853
TOTAL CURRENT ASSETS		14,206,942	10,842,103
NON -CURRENT ASSETS			
Investments in financial assets designated as at fair value through profit or loss:			
- Listed Equities	5	47,895,194	75,012,241
- Unlisted Equities	5	220,583	386,021
Deferred Tax Assets	7	4,567,924	-
TOTAL NON-CURRENT ASSETS		52,683,701	75,398,262
TOTAL ASSETS		66,890,643	86,240,365
CURRENT LIABILITIES			
Trade and Other Payables	10	284,723	904,540
Dividend Payable	8	2,707,480	2,696,487
TOTAL CURRENT LIABILITIES		2,992,203	3,601,027
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	7	-	1,528,057
TOTAL NON-CURRENT LIABILITIES		-	1,528,057
TOTAL LIABILITIES		2,992,203	5,129,084
NET ASSETS		63,898,440	81,111,281
EQUITY			
Contributed Equity	11	73,574,064	73,252,957
Profit Reserve	12	7,609,677	13,035,517
Accumulated Loss	13	(17,285,301)	(5,177,193)
TOTAL EQUITY		63,898,440	81,111,281

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

Cash Flow Statement

		15	14
	NOTES	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		331,255	436,264
Dividends received		2,271,795	1,759,568
Payments to suppliers and employees (inclusive of GST)		(863,310)	(3,894,485)
Income tax refunded		-	334,732
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	19(b)	1,739,740	(1,363,921)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments designated as at fair value through profit or loss		52,579,831	56,036,659
Payments for purchases of investments designated as at fair value through profit or loss		(44,592,244)	(66,243,294)
NET CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES		7,987,587	(10,206,635)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		321,108	-
Dividends paid		(5,414,848)	(6,291,803)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		(5,093,740)	(6,291,803)
NET INCREASE/ (DECREASE) IN CASH HELD		4,633,587	(17,862,359)
Cash and cash equivalents at the beginning of the period		9,257,250	27,119,609
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19(a)	13,890,837	9,257,250

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

Statement of Changes In Equity

	CONTRIBUTED EQUITY	PROFIT RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	\$	\$	\$	\$
At 1 July 2014	73,252,957	13,035,517	(5,177,193)	81,111,281
(Loss) / Profit for the period	-	-	(12,108,108)	(12,108,108)
Total Comprehensive income / (loss) for the period	-	-	(12,108,108)	(12,108,108)
Transfer from Retained Earnings to Profit Reserve		-	-	-
Transactions with owners in their capacity as owners:				
Issued Capital	321,107	-	-	321,107
Dividends for the year	-	(5,425,840)	-	(5,425,840)
At 30 June 2015	73,574,064	7,609,677	(17,285,301)	63,898,440

	CONTRIBUTED EQUITY	PROFIT RESERVE	ACCUMULATED LOSS	TOTAL EQUITY
	\$	\$	\$	\$
At 1 July 2013	73,252,957	8,206,702	(5,617,208)	75,842,451
Profit for the period	-	-	10,661,804	10,661,804
Total Comprehensive income / (loss) for the period	-	-	10,661,804	10,661,804
Transfer from Retained Earnings to Profit Reserve		10,221,789	(10,221,789)	-
Transactions with owners in their capacity as owners:				
Dividends for the year	-	(5,392,974)	-	(5,392,974)
At 30 June 2014	73,252,957	13,035,517	(5,177,193)	81,111,281

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

Notes to the Financial Statements

1. Corporate Information

The financial report of Ozgrowth Limited for the year ended 30 June 2015 was authorised for issue in accordance with a resolution of the Directors on 17 August 2015.

Ozgrowth Limited is a company limited by shares that is incorporated and domiciled in Australia whose shares are listed on the Australian Securities Exchange.

Ozgrowth Limited does not control any entities at 30 June 2015.

The company had no employees as at 30 June 2015.

The nature of the operations and principal activities of the Company are as an investment company.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial report is a general purpose financial report which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

For the purposes of preparing the financial statements the Company is a for-profit entity.

The financial report for the year ended 30 June 2015 has been prepared on a historical cost basis except for investments in financial assets designated as at fair value through profit or loss, which are measured at fair value.

The Company's functional and presentation currency is the Australian dollar (\$).

(b) Statement of Compliance

The Company has adopted new and amended Australian Accounting Standards and AASB

Interpretations as of 1 July 2014, including:

- AASB 2012-3; Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities
- AASB 2013-3; Amendments to AASB 136 - Recoverable Amount Disclosures for Non-Financial Assets
- AASB 2013-5; Amendments to Australian Accounting Standards - Investment Entities
[AASB 1, AASB 3, AASB 7, AASB 10, AASB 12, AASB 107, AASB 112, AASB 124, AASB 127, AASB 132, AASB 134 & AASB 139]
- AASB 2014-1 Part A; Annual Improvements 2010-2012 Cycle
- AASB 2014-1 Part A; Annual Improvements 2011-2013 Cycle
- AASB 1031; Materiality
- AASB 2013-9; Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments
- Part B which makes amendments to particular Australian Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards

The adoption of these new and amended standards has not had any financial impact on the financial position or results of the Company.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (cont'd)

(b) Statement of Compliance (cont'd)

Applicable Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ended 30 June 2015. These are included in the table below.

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR COMPANY
AASB 9	<i>Financial Instruments</i>	<p>AASB 9 (December 2014) is a new Principal standard which replaces AASB 139. This new Principal version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.</p> <p>AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments.</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.</p> <p>Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139.</p> <p>The main changes are described below.</p> <ol style="list-style-type: none"> Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. 	1 January 2018	The company is in the process of determining the impact of the amendments
				1 July 2018

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (cont'd)

(b) Statement of Compliance (cont'd)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR COMPANY
		<p>d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <ul style="list-style-type: none"> ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss <p>AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 - Part E.</p> <p>AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014.</p> <p>AASB 2014-8 limits the application of the existing versions of AASB 9 (AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p>		
AASB 2013-9	<i>Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments</i>	<p>The Standard contains three main parts and makes amendments to a number Standards and Interpretations.</p> <p>Part A and Part B amendments are already effective.</p> <p>Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 <i>Hedge Accounting</i> into AASB 9 <i>Financial Instruments</i>.</p>	Part C - reporting periods beginning on or after 1 January 2015	<p>No material impact expected.</p> <p>Part C - 1 July 2015</p>

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (cont'd)

(b) Statement of Compliance (cont'd)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR COMPANY
AASB 15	Revenue from Contracts with Customers	<p>In May 2014, the IASB issued IFRS 15 <i>Revenue from Contracts with Customers</i>, which replaces IAS 11 <i>Construction Contracts</i>, IAS 18 <i>Revenue and related Interpretations</i> (IFRIC 13 <i>Customer Loyalty Programmes</i>, IFRIC 15 <i>Agreements for the Construction of Real Estate</i>, IFRIC 18 <i>Transfers of Assets from Customers</i> and SIC-31 <i>Revenue—Barter Transactions Involving Advertising Services</i>).</p> <p>The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:</p> <p>(a) Step 1: Identify the contract(s) with a customer</p> <p>(b) Step 2: Identify the performance obligations in the contract</p> <p>(c) Step 3: Determine the transaction price</p> <p>(d) Step 4: Allocate the transaction price to the performance obligations in the contract</p> <p>(e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15.</p> <p>* The International Accounting Standards Board (IASB or Board) has decided to defer by one year the effective date of its new revenue standard, IFRS 15 <i>Revenue from Contracts with Customers</i>. As a result, IFRS 15 will be effective for annual reporting periods beginning on or after 1 January 2018, with early adoption permitted.</p> <p>The IASB plans to issue an amendment to IFRS 15 to finalise the change in effective date soon, whereupon the AASB will make consequential amendments to the effective date of AASB 15</p>	1 January 2017*	<p>The company is in the process of determining the impact of the new standard</p> <p>1 July 2017</p>

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (cont'd)

(b) Statement of Compliance (cont'd)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR COMPANY
AASB 2015-1	Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle	<p>The subjects of the principal amendments to the Standards are set out below:</p> <p><i>AASB 5 Non-current Assets Held for Sale and Discontinued Operations:</i></p> <ul style="list-style-type: none"> Changes in methods of disposal – where an entity reclassifies an asset (or disposal group) directly from being held for distribution to being held for sale (or visa versa), an entity shall not follow the guidance in paragraphs 27-29 to account for this change. <p><i>AASB 7 Financial Instruments: Disclosures:</i></p> <ul style="list-style-type: none"> Servicing contracts - clarifies how an entity should apply the guidance in paragraph 42C of AASB 7 to a servicing contract to decide whether a servicing contract is 'continuing involvement' for the purposes of applying the disclosure requirements in paragraphs 42E-42H of AASB 7. Applicability of the amendments to AASB 7 to condensed interim financial statements - clarify that the additional disclosure required by the amendments to AASB 7 Disclosure-Offsetting Financial Assets and Financial Liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with AASB 134 Interim Financial Reporting when its inclusion would be required by the requirements of AASB 134. <p><i>AASB 134 Interim Financial Reporting:</i></p> <ul style="list-style-type: none"> Disclosure of information 'elsewhere in the interim financial report' -amends AASB 134 to clarify the meaning of disclosure of information 'elsewhere in the interim financial report' and to require the inclusion of a cross-reference from the interim financial statements to the location of this information. 	1 January 2016	The company is in the process of determining the impact of the amendments
AASB 2015-2	Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	<p>The Standard makes amendments to AASB 101 <i>Presentation of Financial Statements</i> arising from the IASB's Disclosure Initiative project. The amendments are designed to further encourage companies to apply professional judgment in determining what information to disclose in the financial statements. For example, the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. The amendments also clarify that companies should use professional judgment in determining where and in what order information is presented in the financial disclosures.</p>	1 January 2016	The company is in the process of determining the impact of the amendments

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (cont'd)

(b) Statement of Compliance (cont'd)

REFERENCE	TITLE	SUMMARY	APPLICATION DATE OF STANDARD	APPLICATION DATE FOR COMPANY
AASB 2015-3	Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality	The Standard completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards.	1 July 2015	The company is in the process of determining the impact of the amendments
AASB 2015-5	Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception	This makes amendments to AASB 10, AASB 12 <i>Disclosure of Interests in Other Entities</i> and AASB 128 arising from the IASB's narrow scope amendments associated with Investment Entities.	1 July 2015	The company is in the process of determining the impact of the amendments

(c) Financial assets

(I) INITIAL RECOGNITION AND MEASUREMENT

Financial assets within the scope of AASB 139 are classified as financial assets at fair value through profit or loss or as loans and receivables as appropriate. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognised initially at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

(II) SUBSEQUENT MEASUREMENT

The subsequent measurement of financial assets depends on their classification as described below:

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS.

Financial assets at fair value through profit or loss include financial assets designated upon initial recognition at fair value through profit or loss.

Financial assets designated upon initial recognition at fair value through profit and loss are designated at their initial recognition date only if the criteria under AASB 139 are satisfied.

All financial assets designated as fair value through profit or loss are equity instruments that are managed through making purchase and sales decisions based on their fair value in accordance with the Company's investment strategies. The financial information about these financial assets is provided internally on that basis to the Investment Manager and to the Board of Directors.

For investments that are actively traded in organised financial markets, fair value is determined by reference to the Stock Exchange quoted market bid prices at the close of business on the Statement of Financial Position date, without any deduction for transaction costs.

When the fair value of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (cont'd)

(c) Financial assets (cont'd)

(II) SUBSEQUENT MEASUREMENT (CONT'D)

The judgments include considerations of liquidity and model inputs such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The models are calibrated regularly and tested for validity using prices from any observable current market transactions in the same instrument (without modification or repackaging) or based on any available observable market data.

Gains and losses on investments at fair value through profit and loss are recognised in Profit or Loss.

Purchases and sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognised on the trade date i.e. the date that the Company commits to purchase the asset.

Changes in the fair value of investments – net gains or losses on investments designated as at fair value through profit or loss are calculated as the difference between the fair value at sale or fair value at reporting date and the fair value at the previous valuation point. This includes both realised and unrealised gains and losses but does not include dividend or interest income.

(III) DE-RECOGNITION OF FINANCIAL ASSETS

A financial asset (or where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party lender under a "pass-through" arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has transferred control of the asset.

(d) Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and short term deposits, including bank bills with a maturity 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.

For the purposes of the Cash Flow Statement, cash and cash equivalents consists of cash and cash equivalents as defined above.

(e) Income Tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is recognised on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all temporary differences except where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax assets and unused tax losses can be utilised except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow all or part of the deferred income tax to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or liability is settled, based on tax rate (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (cont'd)

(f) Other Taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

(g) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes. The following specific recognition criteria must also be met before revenue is recognised:

Interest - revenue is recognised as interest accrues using the effective interest rate method which is the rate that exactly discounts estimated future cash flows through the expected life of the financial investment to the net carrying value of the financial asset.

Dividend - revenue is recognised when the Company's right to receive the payment is established. This is taken to be the date the share is quoted ex-dividend.

(h) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at amortised cost which is the fair value of the consideration to be paid on goods and services received. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company is obliged to make future payments in respect of the purchase of these goods and services.

Payables include outstanding settlements on the purchase of investments and dividends payable. The carrying period is dictated by market conditions and generally less than 30 days.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender, is recognised as an expense on an accrual basis.

(i) Contributed Equity

Ordinary share capital is recognised at the fair value of the consideration received by the company and is classified as equity.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(j) Earnings Per Share

Basic earnings per share (EPS) is calculated as net profit attributed to ordinary equity holders divided by the weighted average number of ordinary shares outstanding during the year adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to ordinary equity holders, adjusted for:

- costs of servicing equity (other than dividends);
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares;

divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(k) Trade and Other Receivables

Receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible debts. An estimate of doubtful debts is made when there is objective evidence that the Company will not be able to collect the debt. Bad debts are written off when identified. Amounts are normally received within 30 days of being recorded as receivable.

(l) Dividends

Provision is made for the amount of any dividend declared by the Directors on or before the end of the financial year, but not distributed at balance date.

(m) Performance Fees

Performance fees are calculated in accordance with contractual arrangements and are payable in the year in which the returns are generated.

Notes to the Financial Statements

2. Summary of Significant Accounting Policies (cont'd)

(n) Due to and from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Refer to the accounting policy for 'trade and other payables' for recognition and measurement of these amounts.

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for but not yet delivered on the reporting date. Refer to accounting policy for 'trade and other receivables' for recognition and measurement of these amounts.

(o) Significant Accounting Judgements, Estimates and Assumptions

TAXES

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Deferred tax assets relate to unrealised losses on investments in financial assets and recognised tax losses.

Future taxable profits depend on the success of the Company's investment strategy which in turn will be influenced by the overall direction of equity markets. The markets are influenced by a number of factors such as outlook for growth, inflation, commodity prices, interest rates, general economic conditions, natural disasters & government regulation. Management has estimated future taxable profits based on an analysis that historic returns (per annum, since inception) on the investment portfolio of Westoz Investment Company Limited. Market estimates of long term Australian equity market returns are anticipated to be higher than the return that will be required to be generated by Westoz Investment Company Limited in order to utilise the deferred tax asset. Changes in assumptions & estimates may affect the ability to recognise deferred tax assets.

There are no other significant accounting judgments, estimates and assumptions during the financial year.

3. Segment Information

For management purposes, the Company is organised into one operating segment, which invests in equity securities on the Australian Stock Exchange. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The Company operated in one geographical area being Australia.

Notes to the Financial Statements

4. Changes in Fair Value of Investments Designated as at Fair Value Through Profit or Loss

	15	14
	\$	\$
Net realised loss on disposal of investments	(7,206,776)	(466,247)
Net unrealised (loss) / gain on investments	(12,530,638)	16,456,985
	(19,737,414)	15,990,738

The total number of contract notes that were issued for transactions during the financial year was 744 (2014: 650). The total brokerage paid on these contract notes was \$317,898 (2014: \$441,318).

5. Fair Value of Financial Instruments

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table shows financial instruments recorded at fair value, analysed between those whose fair value is based on quoted market prices, those involving valuation techniques where model inputs are observable in the market and those where the valuation technique involves the use of non-market observable inputs.

30 JUNE 2015				
	VALUED AT QUOTED MARKET PRICE (LEVEL 1)	VALUATION TECHNIQUE MARKET OBSERVABLE INPUTS (LEVEL 2)	VALUATION TECHNIQUE NON - MARKET OBSERVABLE INPUTS (LEVEL 3)	TOTAL
Financial assets at fair value through profit or loss				
(i) Listed equities	47,895,194	-	-	47,895,194
(ii) Unlisted Equities	-	-	220,583	220,583
	47,895,194	-	220,583	48,115,777

30 JUNE 2014				
	VALUED AT QUOTED MARKET PRICE (LEVEL 1)	VALUATION TECHNIQUE MARKET OBSERVABLE INPUTS (LEVEL 2)	VALUATION TECHNIQUE NON - MARKET OBSERVABLE INPUTS (LEVEL 3)	TOTAL
Financial assets at fair value through profit or loss				
(i) Listed equities	75,012,241	-	-	75,012,241
(ii) Unlisted Equities	-	-	386,021	386,021
	75,012,241	-	386,021	75,398,262

The level in which instruments are classified in the hierarchy is based on the lowest level input that is significant to the fair value measurement in its entirety. Assessment of the significance of an input requires judgement after considering factors specific to the instrument.

The fair value of listed equity is based on quoted market prices at the reporting date (bid price for long positions), without any deduction for transaction costs.

Notes to the Financial Statements

6. Other Expenses

	15	14
	\$	\$
EXPENSES		
Marketing	23,690	21,096
Share Registry Costs	45,458	5,625
Other	15,464	17,840
	84,612	44,561

7. Income Tax

The major components of income tax expense are:

	15	14
	\$	\$
STATEMENT OF COMPREHENSIVE INCOME		
<i>Current Income Tax</i>		
Current income tax charge	-	(1,812)
<i>Deferred income tax</i>		
Relating to origination and reversal of temporary differences	(6,095,981)	3,804,440
Income tax (credit) / expense reported in statement of comprehensive income	(6,095,981)	3,802,628
A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the company's applicable tax rate is as follows:		
Accounting (loss) / profit before tax	(18,204,089)	14,464,432
Tax at the statutory income tax rate of 30% (2014: 30%)	(5,461,227)	4,339,330
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(634,754)	(536,702)
Income tax (credit) / expense	(6,095,981)	3,802,628

Deferred Income tax

Deferred income tax at 30 June relates to the following:

	STATEMENT OF FINANCIAL POSITION		STATEMENT OF COMPREHENSIVE INCOME	
	2015 \$	2014 \$	2015 \$	2014 \$
<i>Deferred Tax Assets</i>				
Tax loss recognised	3,469,444	1,132,655	(2,336,789)	(1,132,655)
Unrealised loss on investments in financial assets	1,098,480	-	(1,098,480)	2,276,384
Total DTA	4,567,924	1,132,655	(3,435,269)	1,143,729
<i>Deferred Tax Liabilities</i>				
Unrealised gain on investments in financial assets	-	(2,660,712)	(2,660,712)	2,660,711
Total DTL	-	(2,660,712)	(2,660,712)	2,660,711
Net (DTL) / DTA	4,567,924	(1,528,057)	(6,095,981)	3,804,440

Deferred tax assets relate to unrealised losses on investments in financial assets and recognised tax losses. Based on long term movements in the Australian market equity returns, it is probable that the company will make future taxable profits and such losses will be utilised.

Notes to the Financial Statements

8. Dividends Paid or Provided For on Ordinary Shares

	15	14
	\$	\$
Ordinary Shares		
Interim Dividend Of 0.75 Cents Per Share Paid On 24 February 2015 (2014: 0.75 Cents Per Share)	2,718,350	2,696,487
Final Dividend Of 0.75 Cents Per Share Declared And Provided For At 30 June 2015 (2014: 0.75 Cents Per Share Per Fully Paid Ordinary Share). Fully Franked Based On Tax Paid Or Payable At 30%)	2,707,480	2,696,487
	5,425,830	5,392,974
Franking Credit Balance		
Franking Credits Available At The End Of The Financial Year At 30% (2014: 30%)	1,905,209	3,295,089
Franking Debits That Will Arise By The Payment Of Dividends As At The End Of The Financial Year	(1,160,348)	(1,155,637)
	744,861	2,139,452

9. Other Current Assets

	15	14
	\$	\$
Outstanding settlements	295,823	1,358,741
GST Receivable	20,282	226,112
	316,105	1,584,853

Note: GST Receivable is non-interest bearing and is generally claimed from the Australian Tax Office on a quarterly basis. Sale settlements are normally settled on 3 day terms. The Company has not had any history of bad debts in settling the sale transactions with any of the brokers it deals with.

The carrying value of other assets is approximately equal to its fair value.

10. Trade and Other Payables (Current)

	15	14
	\$	\$
Trade Payables	115,784	115,200
Outstanding purchase settlements	168,939	789,340
	284,723	904,540

Total trade payables are non-interest bearing and normally settled on 30 day terms. Purchase settlements are normally settled on 3 day terms.

The carrying value of trade and other payables is approximately equal to its fair value.

Notes to the Financial Statements

11. Contributed Equity

(a) Contributed Equity

	15	14
	\$	\$
360,997,266 fully paid ordinary shares (2014: 359,531,954)	73,574,064	73,252,957

b) Movements in ordinary shares on Issue

	2015		2014	
	NUMBER OF SHARES	\$	NUMBER OF SHARES	\$
Beginning of the financial period	359,531,594	73,252,957	359,531,594	73,252,957
- Option Exercise	1,465,672	328,775	-	-
Less Issue Costs	-	(7,668)	-	-
	360,997,266	73,574,064	359,531,594	73,252,957

(c) Terms and conditions of contributed equity

The Company does not have an authorised capital nor par value in respect of its issued capital.

Ordinary fully paid shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held.

Ordinary fully paid shares entitle their holder to one vote, either in person or by proxy, at a meeting of the Company.

(d) Options

At balance date there were 34,476,161 options outstanding. The options were issued pursuant to the Bonus Issue prospectus issued on 8 July 2014 to all shareholders. The offer made a bonus issue of one Option for every 10 Shares held by shareholders at the record date. These options are exercisable into 34,476,161 new ordinary shares in the Company that rank equally with other ordinary shares by the payment of 22.5 cents per option at any time up until expiry date of 31 August 2015.

Holders of Options will be permitted to participate in new issues of securities only following the prior exercise of the Option. An Option does not confer the right to a change in Exercise Price or a change in the number of Shares over which the Option can be exercised. In the event of any reconstruction (including consolidation, subdivision, reduction or returns) of the issued capital of the Company, the number of Options or Exercise Price or both shall be reconstructed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(e) Capital Management

For the purpose of the Company's capital management, capital includes issued equity share capital, accumulated losses and profit reserve.

The primary objective of the Company's capital management is to produce positive return on funds, regardless of the general direction of the listed share market and that is consistent with acceptable risk parameters in order to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

As far as possible, the Company intends to pay out a consistent stream of dividends to investors, having regard to availability of franking credits and the balance in the profit reserve.

The company was ungeared at year end and not subject to any externally imposed capital requirement.

Notes to the Financial Statements

12. Reserves

	15	14
	\$	\$
Profit Reserve	7,609,677	13,035,517
	7,609,677	13,035,517
The profit reserves made up of amounts allocated from retained earnings that are preserved for future dividend payments.		
Movement in Profits Reserve		
Balance at beginning of the year	13,035,517	8,206,702
Transferred from retained earnings (a)	-	10,221,789
Dividend Paid	(5,425,840)	(5,392,974)
	7,609,677	13,035,517

(a) The amount transferred to profit reserve is the profit for the period 1 July 2013 to 30 September 2013 and 1 October 2013 to 31 December 2013 in accordance with resolutions of the Board of Directors dated 28 October 2013 and 7 February 2014 respectively

13. Accumulated Loss

	15	14
	\$	\$
Balance at beginning of the year	(5,177,193)	(5,617,208)
(Loss) / Profit for the year attributable to members	(12,108,108)	10,661,804
Transfer to Profit Reserve from retained earnings	-	(10,221,789)
	(17,285,301)	(5,177,193)

14. Auditors' Remuneration

	15	14
	\$	\$
Total of all remuneration received or due and receivable by Ernst & Young in connection with:		
an audit or review of a financial report of the company	52,650	52,525
services in relation to tax compliance for the company	15,000	15,200
	67,650	67,725

15. Related Party Disclosures

(a) Remuneration of Directors and Executives

The Board of Directors is responsible for determining and reviewing compensation arrangements for the executive team. The Board will assess the appropriateness of the nature and amount of emoluments of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and executive team.

Mr Jefferies and Mr Tucker are the only paid Directors of the Company. The total remuneration payable for the financial year is \$109,288 (2014: \$54,500) of which \$99,807 was a short term benefit (2014: \$49,886) and \$9,481 was post-employment benefit (2014: \$4,614).

Notes to the Financial Statements

15. Related Party Disclosures (cont'd)

(b) Transactions with Directors or Director Related Entities

The Directors of Ozgrowth Limited during the year or part thereof were Mr Philip Rees, Mr Jay Hughes, Mr Dermot Woods, Mr Stephen Tucker and Mr Michael Jefferies.

Westoz Funds Management Pty Ltd, a company of which Messrs Rees, Woods, Tucker and Hughes are Directors is considered to be a Key Management Personnel ("KMP") as it has the authority for the management of the investment portfolio of Ozgrowth Limited. Westoz Funds Management Pty Ltd received management fees from the Company for the management of its assets. A total (inclusive of performance fees where applicable) of \$719,991 (2014: \$3,530,559) was charged in the period for these services. No performance fee was accrued in respect of the 2015 financial year (2014 \$2,645,525). There was \$56,650 (2014: \$80,520) accrued for management fees payable as at 30 June 2015.

These fees were charged in accordance with a management agreement. Management fee is calculated at 1% per annum of funds managed. Performance fee is payable where performance exceeds 7% over a twelve month period to end of June and is calculated at 20% of the performance exceeding the threshold.

No amount is paid by Ozgrowth Limited directly to the Directors of Westoz Funds Management Pty Ltd.

Euroz Securities Limited, a company of which Mr Hughes is a Director received brokerage fees for transactions undertaken by the company in respect of its investments. An amount of \$315,177 (2014: \$420,834) was paid in the year as brokerage to Euroz Securities Limited. \$1,918 of this brokerage was outstanding as at 30 June 2015 (2014: \$8,603). Euroz Securities also provides nominee and custodial services for the company. No fees were paid in relation to these services in the period (2014: nil).

The above transactions were entered into on normal commercial terms.

(c) Ultimate Parent

Ozgrowth Limited is the ultimate Australian parent company.

(d) Other Related Party Transactions

There are no other related party transactions other than those discussed above.

16. Earnings Per Share

Basic earnings/(loss) per share amounts are calculated by dividing net profit/(loss) for the year attributable to ordinary equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

The company has no dilutive securities on issue.

	15	14
	\$	\$
Net profit/(loss) attributable to ordinary equity holders of the company used in calculating basic earnings per share	(12,108,108)	10,661,804
Weighted average number of ordinary shares on issue used in the calculation of basic and diluted earnings per share	360,838,740	359,531,594
Basic and diluted earnings per share (cents)	(3.4)	3.0

The Company has on issue 34,476,161 options. These options are exercisable into 34,476,161 new ordinary shares that rank equally with other ordinary shares by the payment of 22.5 cents per option at any time up until expiry date of 31 August 2015.

These options have not been included in the calculation of the basic and diluted earnings per share as the strike price exceeds the average market price of shares.

Notes to the Financial Statements

17. Events Subsequent To Balance Date

The Company plans to issue new Bonus Options to shareholders in the ratio of one new option for every 10 ordinary shares held. These options will be exercisable at \$0.18 at any time on or before 31 August 2016.

As at 31 July 2015, the All Ordinaries Accumulation index has fallen approximately 1.0% since 30 June 2015.

No matters or events have occurred subsequent to 30 June 2015 which have significantly affected or may significantly affect the operations of the Company, the results of its operations or the state of affairs of the Company in subsequent financial periods.

18. Contingent Liabilities

The Company has no contingent liabilities as at 30 June 2015 (2014: \$nil).

19. Notes To The Statements Of Cash Flow

(a) Reconciliation of Cash

For the purpose of the annual report, cash and cash equivalents are expressed as follows: -

	15	14
	\$	\$
Cash at Bank and in hand	13,890,837	9,257,250
	13,890,837	9,257,250

Cash at bank and in hand earns interest at floating rates based on daily deposit rates.

The fair value of cash and cash equivalents is \$13,890,837 (2014: \$9,275,250). Of the total cash and cash equivalents held at 30 June 2014, \$13,847,944 was held in the investment portfolio. The balance of the cash amount shown in the portfolio represents net settlements outstanding.

(b) Reconciliation from the Net Profit after Income Tax to Net Cash flows Generated from Operating Activities

	15	14
	\$	\$
Net (loss) / profit after tax	(12,108,108)	10,661,804
Adjustment for Non-Cash Items:		
Items classified as Investing		
Unrealised (profit)/loss on shares	12,530,638	(16,456,985)
Realised (profit)/loss on shares	7,206,776	466,247
Changes in Assets and Liabilities:		
Increase/(Decrease) in trade and other payables	584	(13,339)
Increase/(Decrease) in other assets	205,831	(159,008)
(Decrease) / Increase in tax payable	-	2,660,712
Increase/(Decrease) in deferred tax balances	(6,095,981)	1,476,648
Net Cash generated from Operating Activities	1,739,740	(1,363,921)

(c) Financing Facilities Available

At balance date, no financing facilities had been negotiated and none were available.

Notes to the Financial Statements

20. Financial Risk Management Objectives and Policies

Risks arising from holding financial instruments are inherent in the Company's activities, and are managed through a process of ongoing identification, measurement and monitoring. The Company is exposed to credit risk, liquidity risk and market risk.

The Company's principal financial instruments comprise listed equities, cash, short term deposits and outstanding sale and purchase settlements. The Company has other financial instruments such as trade creditors and distributions payable which arise directly from its operations. The Company may also transact in other financial instruments, including derivatives, to achieve its target rate of return on assets. No derivatives are held at 30 June 2015 (2014: Nil).

The Investment Manager is responsible for identifying and controlling the risks that arise from these financial instruments. The Company has an established investment policy in place. Information about the total fair value of financial instruments exposed to risk, as well as compliance with established investment policy, is monitored by the Investment Manager.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled by the Company investing in financial instruments, which in normal market conditions can be easily liquidated. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements.

Maturity Analysis for Financial Liabilities

Financial liabilities of the Company comprise trade, other payables and distribution payable, which contractually mature within 30 days.

Credit Risk

Credit risk represents the risk that the counterparty to the financial instrument will fail to discharge an obligation and cause the Company to incur a financial loss. The company's maximum credit exposure is the carrying amounts in the statement of financial position. The Company holds financial instruments with credit worthy third parties.

At 30 June 2015, the Company held significant equities, cash balances and other current receivables in relation to outstanding sale settlements. Cash deposits were held on an at call basis and term deposits have nominated maturity dates not greater than three months forward with an institution covered under the Banking Act 1959 with a rating from Standard & Poors of AA- (long term) and A-1+ (short term). Listed equities were held under a nominee arrangement with Euroz Securities Limited which operates and maintains required prudential matters under an Australian Financial Services Licence. The Company has no past due or impaired debtors as at 30 June 2015.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates and equity prices. The Company has delegated the management of these risks to Westoz Funds Management Pty Ltd (AFSL No 285607) who has expertise in the management of such risk.

The following risk control features are in place:

- No one stock will represent more than 20% of the total portfolio value at the time of acquisition;
- The portfolio usually consists of between 10 and 25 securities, although more or less may be held depending on the number of securities identified that are expected to meet the performance expectations;
- Where suitable stocks cannot be identified, the portfolio may invest in cash. Whilst unlikely over the medium term, the portfolio may consist from time to time of significant cash deposits;
- Any short positions will not represent more than 20% of the total portfolio value; and
- Leverage may be employed in the Portfolio, but total exposure will not exceed 120% of the portfolio value.

Any breach of these risk control measures will be reported to the Company by the Manager and the Company will determine the appropriate action to remedy the breach.

Notes to the Financial Statements

20. Financial Risk Management Objectives and Policies (cont'd)

The portfolio position as at 30 June 2015 is as follows:

INVESTMENT PORTFOLIO					
INDUSTRIALS	NUMBER OF SHARES	FAIR VALUE AT 30 JUNE 2015	RESOURCES	NUMBER OF SHARES	FAIR VALUE AT 30 JUNE 2015
Automotive Holdings Group Limited	850,000	3,391,500	Aquarius Platinum Limited	3,173,001	444,220
Cedar Woods Properties Limited	2,365,107	12,440,463	Cooper Energy Limited	14,210,000	3,481,450
Decmil Group Limited	745,568	857,403	Emerald Resources NL	32,000,000	640,000
Finbar Group Limited	2,035,000	2,421,650	Energia Minerals Limited	40,000,000	2,160,000
Fleetwood Corporation Limited	435,093	596,077	Medusa Mining Limited	2,030,000	1,684,900
Garda Diversified Property Fund	700,000	700,000	Mineral Deposits Limited	220,971	180,091
Genworth Mortgage Insurance Australia Limited	150,000	469,500	Mount Gibson Iron Limited	10,699,691	2,086,440
Moboom Limited	1,102,916	220,583	Red Hill Iron Limited	1,602,500	1,282,000
NRW Holdings Limited	750,000	135,000	Sandfire Resources NL	140,000	805,000
Peet Limited	611,575	694,138	Sino Gas & Energy Holdings Limited	5,162,082	645,260
QMS Media Limited	923,076	710,769	Sundance Energy Australia Limited	1,275,697	644,227
Seafarms Group Limited	11,880,000	1,081,080	Tap Oil Limited	6,622,863	2,384,231
Skilled Group Limited	500,000	847,500	Teranga Gold Corporation	691,778	511,916
Southern Cross Electrical Engineering Ltd	3,148,930	944,679	Troy Resources Limited	7,600,000	2,736,000
Swick Mining Services Ltd	3,500,000	472,500	Western Areas Limited	760,000	2,447,200
		25,982,842			22,132,935
			Cash, net of outstanding settlements		13,974,828
			Total		62,090,605

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Company's exposure to market risk for changes to interest rate risk relates primarily to its earnings on cash and short term deposits, which have variable interest rates. The total cash balance at 30 June 2015 was \$13,890,837 (2014: \$9,257,250). The Company manages interest rate risk by ensuring that cash balances are always deposited in interest-bearing accounts that provide competitive interest rates.

As at 30 June 2015, cash deposits of \$13,890,837 (2014: \$9,257,250) were held at call. No term deposits with maturities of more than three months (2014: \$nil) were held. No interest was recorded as receivable (2014: \$nil).

Notes to the Financial Statements

20. Financial Risk Management Objectives and Policies (cont'd)

The following table demonstrates the sensitivity of the Company's Statement of Comprehensive Income to a reasonably possible change in interest rates, with all other variables constant. The change in basis points is derived from a review of historical movements and management's judgement of future trends. The analysis is performed on the same basis for 2015.

		2015		2015	
CHANGE IN BASIS POINTS		EFFECT ON PRE TAX PROFIT (\$)		EFFECT ON EQUITY INCLUDING RETAINED EARNINGS (\$)	
INCREASE	DECREASE	INCREASE	DECREASE	DECREASE	INCREASE
50	50	69,500	(69,500)	48,650	(48,650)

		2014		2014	
CHANGE IN BASIS POINTS		EFFECT ON PRE TAX PROFIT (\$)		EFFECT ON EQUITY INCLUDING RETAINED EARNINGS (\$)	
INCREASE	DECREASE	INCREASE	DECREASE	INCREASE	DECREASE
50	50	46,300	(46,300)	32,410	(32,410)

Equity Price Risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Equity price risk arises from the Company's investment portfolio.

The effect on the statement of comprehensive income due to a reasonably possible change in market factors, as represented by the equity indices, with all other factors held constant is indicated in the table below. The change in index level is derived from a review of historical movements. The analysis is performed on the same basis for 2015.

INDEX	CHANGE IN INDEX	2015	2015
		EFFECT ON PRE TAX PROFIT (\$)	EFFECT ON EQUITY INCLUDING RETAINED EARNINGS (\$)
ASX Small Ordinaries Index	Increase 10%/ (Decrease 10%)	4,790,000/(4,810,000)	3,353,000/(3,353,000)

INDEX	CHANGE IN INDEX	2014	2014
		EFFECT ON PRE TAX PROFIT (\$)	EFFECT ON EQUITY INCLUDING RETAINED EARNINGS (\$)
ASX Small Ordinaries Index	Increase 10%/ (Decrease 10%)	7,540,000/(7,540,000)	5,278,000/(5,278,000)

Directors' Declaration

In accordance with a resolution of the Directors of Ozgrowth Limited, the Directors declare that:

1. In the opinion of the directors:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 2(b); and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (d) this declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2015.

On behalf of the Board



Jay Hughes
Non Executive Chairman

Dated: 17 August 2015

Independent Auditor's Report



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Independent auditor's report to the members of Ozgrowth Limited

Report on the financial report

We have audited the accompanying financial report of Ozgrowth Limited, which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards 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. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

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

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

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

Independence

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

Independent Auditor's Report



Opinion

In our opinion:

- a. the financial report of Ozgrowth Limited is in accordance with the *Corporations Act 2001*, including:
 - i giving a true and fair view of the company's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
 - ii complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b. the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Report on the remuneration report

We have audited the Remuneration Report included in section 13 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Ozgrowth Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001*.

Ernst & Young

Fiona Drummond
Partner
Perth
17 August 2015

Shareholder Information

Ordinary Shares at 14 August 2015

(a) Distribution of Shareholders

Analysis of number of shareholders by size of holding:

ISSUED CAPITAL DISTRIBUTION OF HOLDINGS	ORDINARY SHARES		OPTIONS	
	HOLDERS	UNITS	HOLDERS	UNITS
1-5,000	70	177,707	373	873,185
5,001-10,000	81	678,529	129	1,085,939
10,001-100,000	454	20,854,683	178	6,132,709
100,001 and over	287	339,286,347	24	26,384,328
Total	892	360,997,266	704	34,476,161

(b) Top Holders

The twenty largest holders of ordinary fully paid shares are listed below:

NO	SHAREHOLDER	SHARES	%
1	ZERO NOMINEES PTY LTD	145,452,030	40.3%
2	CAPE BOUVARD EQUITIES PTY LTD	40,000,000	11.1%
3	MR VICTOR JOHN PLUMMER	12,000,000	3.3%
4	RBC INVESTOR SERVICES	7,068,598	2.0%
5	ICE COLD INVESTMENTS PTY LTD	6,000,000	1.7%
7	ICE COLD INVESTMENTS PTY LTD	5,410,151	1.5%
6	ONYX (WA) PTY LTD	5,000,000	1.4%
8	YANDAL INVESTMENTS PTY LTD	4,885,000	1.4%
9	MR DONALD GORDON MACKENZIE	4,550,891	1.3%
10	ACRES HOLDINGS PTY LTD	3,400,000	0.9%
11	ROLLASON PTY LTD	3,000,000	0.8%
12	MR ANDREW WILLIAM MCKENZIE	2,500,000	0.7%
13	MR WILLEM BARTUS JOSEF SLOT	2,380,466	0.7%
14	YORKSHIRE SUPERANNUATION PTY	2,308,000	0.6%
15	PIAMA PTY LTD	2,172,451	0.6%
16	ICE COLD INVESTMENTS PTY LTD	2,000,000	0.6%
17	SUNBRIGHT HOLDINGS PTY LTD	1,935,127	0.5%
18	MR JAMES WILLIAM TONKIN	1,562,000	0.4%
19	REDBROOK NOMINEES PTY LTD	1,520,200	0.4%
20	SALOME BODLE PTY LTD	1,500,000	0.4%
	Total	254,644,914	70.5%
	Remainder	106,352,352	29.5%
	Grand Total	360,997,266	100.0%

Shareholder Information

The twenty largest holders of options exercisable at 22.5 cents per share, expiry date 31 August 2015 are listed below:

NO	SHAREHOLDER	SHARES	%
1	ZERO NOMINEES PTY LTD	14,366,349	41.7%
2	CAPE BOUVARD EQUITIES PTY LTD	4,000,000	11.6%
3	MR RICHARD HAMILTON BARTLETT	1,531,080	4.4%
4	RBC INVESTOR SERVICES	755,861	2.2%
5	ICE COLD INVESTMENTS PTY LTD	600,000	1.7%
7	ICE COLD INVESTMENTS PTY LTD	500,000	1.5%
6	ONYX (WA) PTY LTD	500,000	1.5%
8	YANDAL INVESTMENTS PTY LTD	500,000	1.5%
9	MR DONALD GORDON MACKENZIE	451,590	1.3%
10	MR PAUL HUGGINS	368,364	1.1%
11	MR ROBERT SPENCER MCDONALD	347,170	1.0%
12	ROLLASON PTY LTD	300,000	0.9%
13	G J P INVESTMENTS PTY LTD	257,750	0.7%
14	MR ANDREW WILLIAM MCKENZIE	250,000	0.7%
15	YORKSHIRE SUPERANNUATION PTY	230,800	0.7%
16	PIAMA PTY LTD	217,246	0.6%
17	MR JAMES ALEXANDER KENDALL	210,000	0.6%
18	ICE COLD INVESTMENTS PTY LTD	200,000	0.6%
19	MR WEI XIE	162,455	0.5%
20	MR ROBERT JONATHAN HOUGHTON	150,114	0.4%
	Total	25,898,779	75.1%
	Remainder	8,577,382	24.9%
	Grand Total	34,476,161	100.0%

(c) Shareholders with greater than 5%

As at 14 August 2015, the company had 2 shareholders with greater than 5% of the issued ordinary share capital:

SHAREHOLDER	SHARES	%
Euroz Limited	139,928,168	38.8
Cape Bouvard Equities Pty Ltd	40,000,000	11.1



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