

Appendix 4E

Full year report
30 June 2008

Ozgrowth Limited

ABN 52 126 450 271

Results for announcement to the market*

Extracts from this report for announcement to the market

\$A

Revenue from ordinary activities	8,145,341
Profit/(Loss) from ordinary activities after tax attributable to members	4,599,481
Net Profit/(loss) for the period attributable to members	4,599,481

Dividends/distributions	Amount per security	Franked amount per security
Final dividend	0.2 Cents	0.2 Cents
Interim dividend	Nil Cents	Nil Cents

Record date for determining entitlements to the dividend

12 August 2008

Dividend payable date

22 August 2008

Net Tangible Asset Backing	June 2008
Net tangible asset backing per ordinary security	20.9 cents

* These results are for the period 9 July 2007 to 30 June 2008 and no previous corresponding period is available for comparative purposes.

OZGROWTH LIMITED

A.B.N. 52 126 450 271

ANNUAL REPORT

**For the period from incorporation on 9 July 2007 to
30 June 2008**

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CORPORATE DIRECTORY

REGISTERED OFFICE

Level 1, Ernst & Young Building
11 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 2, 45 St Georges Terrace
PERTH WA 6000

Telephone: (08) 9323 2000

Facsimile: (08) 9323 2033

BOARD OF DIRECTORS

Peter Diamond

Non Executive Chairman

Philip Rees

Executive Director, Company Secretary

Jay Hughes

Non Executive Director

Michael Jefferies

Non-Executive Director

CHAIRMAN'S REPORT AND THE PERIOD IN REVIEW

Highlights

On behalf of my fellow Directors, I welcome you as a shareholder of Ozgrowth Limited and am pleased to provide the maiden Annual Report for the Company.

Highlights of the period under review include:

- Following the initial establishment of the Company on 9 July 2007, a prospectus was lodged on 9 November 2007 for the issue of 400 million new shares at \$0.20 each. This issue closed fully subscribed, raising \$80 million for investment according to the stated strategy;
- Westoz Funds Management Pty Ltd was appointed to invest these assets with a focus on small to mid capitalization equities, generally listed on the Australian Stock Exchange and with some connection to Western Australia. The investment objective is to produce a positive return on funds regardless of the general direction of the listed markets within acceptable risk parameters;
- Initial investment began in January 2008. In the 6 month period to 30 June 2008, a gross return (before tax and expenses) of 9.8% was generated on the portfolio;
- Ozgrowth Limited has reported a pre tax operating profit of \$6,540,948 and net operating profit after tax of \$4,599,481 for the financial period. Directors have provided for a dividend of 0.2 cents per share out of these profits; and
- Net assets per share grew from 20.0 cents per share to 20.9 cents, after allowance for the dividend.

The six month period since commencement of the Company's investment activity has been a particularly volatile one for global equity markets. Our strategy has been to gradually invest in selected equities as value has emerged.

I am particularly pleased that we have been able to report a level of return well above the level generated from a portfolio consisting solely of cash over the period.

The results of our investment activity has allowed the declaration of an initial dividend from the Company. The Company's stated intention is to pay a minimum of 50% of realized profits to shareholders by way of dividend. The dividend declared of 0.2 cents per share represents a payout of approximately 82% of these profits.

With just under half of our assets now invested in listed equities, I am confident we have also built the foundation of a portfolio that will generate the desired levels of returns over the medium to long term. However, recent significant falls in the broader equity market suggests the investment environment will remain difficult and we expect continuing volatility will reduce overall returns in the shorter term.

For more detailed information on the investment performance and portfolio of the Company, I refer you to the Investment Managers Report on page 5.

As this is our first Annual Report, I would like to thank shareholders in particular for the support in the establishment of Ozgrowth Limited. I look forward to further reporting as we progress towards our long term objectives.

Yours sincerely



PETER DIAMOND
Chairman

ABOUT OZGROWTH

- Ozgrowth Limited is an 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 2008, it had \$86.8 million of assets invested.
- The company has appointed Westoz Funds Management Pty Ltd to oversee the investment of its portfolio of assets. This company is a wholly owned subsidiary of Euroz Limited, a listed company that operates a stock-broking business based in Western Australia.
- The investment mandate set is identify undervalued companies listed on the Australian Stock 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 smaller 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.

Managers Report

Portfolio Return

The Company invests in small to mid sized companies, generally listed on the Australian Stock 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.

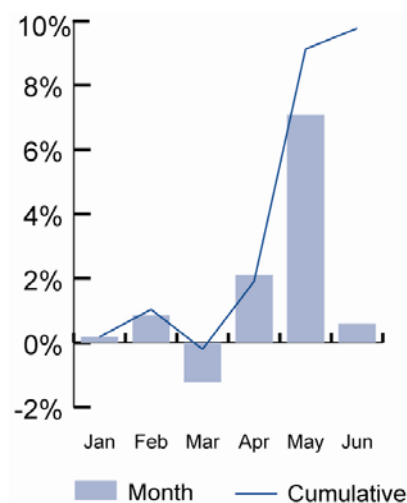
To assist in the assessment of performance, we report a rate of return from the investment portfolio before allowance for fees and taxes. This allows a comparison to other widely available benchmarks.

The first six months of investment activity generated an investment return of 9.8% before allowance for fees and taxes.

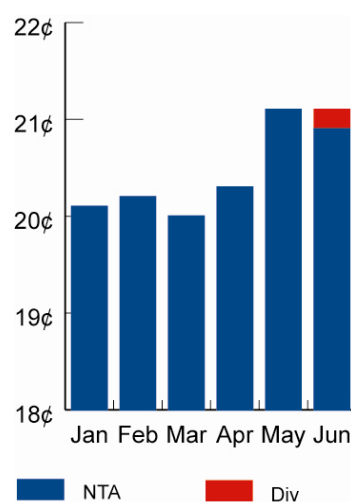
We also report the net assets per share on a regular basis which is after allowance for all fees and taxes, including tax provided for on unrealized gains.

At 30 June 2008, the net assets per share was 20.9 cents, which is after allowance for the payment of a 0.2 cent per share dividend.

Portfolio Performance



NTA



Asset Allocation

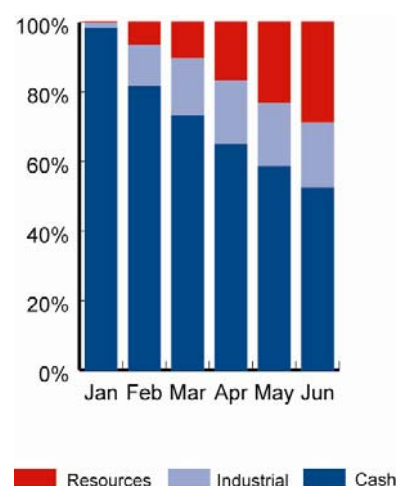
Investment activity commenced in January 2008 with a portfolio consisting entirely of cash.

Investments in equities were gradually built over the period to a position whereby 48% of assets were held in equities at 30 June 2008.

The Company may hold significant cash levels from time to time if suitable equity investments are not available.

Within the equity component of the portfolio, resource stocks represented 61%, with industrial stocks 39%.

Investment Mix (qtrly asset allocation)



Investment Portfolio					
Resources	Shares	Value	Industrials	Shares	Value
Beach Petroleum Limited	1,505,000	2,016,700	Amcom		
Coal of Africa Limited	747,566	3,117,350	Telecommunications		
Gryphon Minerals Limited	278,000	93,130	Limited	5,579,001	892,640
Incremental Petroleum			Ausdrill Limited	901,545	2,298,940
Limited	1,500,000	1,725,000	Automotive Holdings		
Indophil Resources NL	1,368,226	1,860,787	Group Limited	956,952	2,153,142
Lachlan Star Limited	23,777,779	1,022,445	Brandrill Limited	6,715,282	1,510,938
Mineral Deposits Limited	500,000	410,000	Clough Limited	7,000,000	5,040,000
Northern Iron Limited	784,575	3,216,758	iiNet Limited	1,304,884	1,833,362
OM Holdings Limited	1,550,000	4,262,500	Pearlstreet Limited	2,295,000	803,250
Sphere Investments			Rubik Financial		
Limited	1,000,020	3,050,061	Limited	12,349,222	1,605,399
Territory Resources					16,137,671
Limited	480,892	408,758	Cash		45,635,291
United Minerals					86,842,482
Corporation NL	308,715	787,223			
Windimurra Vanadium					
Limited	1,098,868	3,098,808			
		25,069,520			

Outlook

As we commence the 2009 financial year, the outlook for equity markets remains challenging. Whilst price falls in equity markets have improved relative value, broader concerns for the global economy overshadow the outlook for positive returns.

However, the volatility that this environment produces can present us with attractive opportunities. The underlying fundamentals of Western Australia remain generally sound and our concentration on companies with some connection to this economy underpins their activity. We remain focused on investing in a small number of situations where we have a high conviction in the prospect for attractive medium to long term returns.

DIRECTORS' REPORT

For the period from incorporation on 9 July 2007 to 30 June 2008

Your directors submit their report for the period 9 July 2007 to 30 June 2008.

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: -

Peter Diamond	(appointed 9 July 2007)
Philip Rees	(appointed 31 October 2007)
Jay Hughes	(appointed 9 July 2007)
Michael Jefferies	(appointed 31 October 2007)

Andrew McKenzie was appointed as a director on 9 July 2007 and resigned on 31 October 2007.

Non Executive Chairman

Peter Diamond

Mr Diamond is Non Executive Chairman of the Company. He is also Executive Chairman of Euroz Limited (appointed 20 November 2000) and Non Executive Chairman of Westoz Investment Company Limited (appointed 11 March 2005). Mr Diamond holds a Bachelor of Business Degree and is an Associate Member of the Australian Society of Accountants.

Executive Director/Company Secretary

Philip Rees

Mr Rees is Executive Director and Company Secretary of the Company. He is also Executive Director of Westoz Investment Company Limited (appointed 11 March 2005) and Chief Investment Officer 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.

Non Executive Director

Jay Hughes

Mr Hughes is a Non Executive Director of the Company. He is an Executive Director of Euroz Limited (appointed 20 November 2000) and Non Executive Director of Westoz Investment Company Limited (appointed 11 March 2005). 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 Securities and Derivatives Industry Association.

Non Executive Director

Mr Michael Jefferies

Mr Jefferies is a Non executive Director of the Company. He currently sits on the Boards of Tower Limited (appointed 19 December 2006) and Metals X Limited (appointed 14 June 2004) and is Chairman of TAFMO Limited (appointed 28 June 2004) and was formerly a director of Australian Wealth Management Limited (appointed 29 October 2004, resigned 24 April 2007) and Tower Australia Limited (appointed 8 August 2006, resigned 8 August 2008). Mr Jefferies is a Chartered Accountant and holds a Bachelor of Commerce Degree.

DIRECTORS' REPORT (CONT'D)**For the period from incorporation on 9 July 2007 to 30 June 2008****2. DIRECTORS' MEETINGS**

The number of meetings of directors (including meetings of committees of directors) held during the period ended 30 June 2008 and the numbers of meetings attended by each director were as follows:

	Directors' Meetings Held During Period Of Appointment	Directors' Meetings Attended During Period Of Appointment	Audit Committee Meetings Held During Period Of Appointment	Audit Committee meetings Attended During Period Of Appointment
Peter Diamond	5	5	2	2
Philip Rees	4	4	-	-
Jay Hughes	5	5	2	2
Michael Jefferies	4	4	2	2
Andrew McKenzie	1	1	-	-

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.

3. PRINCIPAL ACTIVITY AND NATURE OF OPERATIONS

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

4. OPERATING RESULTS

For the period ended 30 June 2008, the economic entity made an operating profit after tax of \$4,599,481.

5. DIVIDENDS

No amount has been paid by way of dividend in the period ended 30 June 2008.

The Board of Director's has recommended that a dividend of 0.2 cents per ordinary share be paid in respect of the 2008 financial year. An amount of \$800,001 is provided in the 30 June 2008 financial statements.

6. REVIEW OF OPERATIONS

A Chairman's Report and Managers Summary is included on pages 3 to 6 of this Annual Financial Report. This, together with the sections headed "Significant Changes in State of Affairs" and "Events Subsequent to Balance Date", provides a review of operations of the Company during the period and subsequent to reporting date.

7. SIGNIFICANT CHANGES IN STATE OF AFFAIRS

A total of 400,000,000 new ordinary shares were issued during the period under a prospectus dated 9 November 2007.

The Company's ordinary shares commenced quotation on the Australian Stock Exchange on 2 January 2008.

On 30 June 2008 it was agreed by directors to provide for payment of 0.2 cents per share dividend from operating profits.

DIRECTORS' REPORT (CONT'D)**For the period from incorporation on 9 July 2007 to 30 June 2008****8. SIGNIFICANT EVENTS AFTER THE BALANCE DATE**

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 economic entity, the results of those operations or the state of affairs of the economic entity in subsequent periods.

9. LIKELY DEVELOPMENTS AND FUTURE RESULTS

In the opinion of the Directors it is considered that, apart from general details of likely developments referred to in the Chairman's Report and the Review of Operations, it may prejudice the interests of the economic entity if information in respect of future plans or likely developments in the economic entity's operations are disclosed. Therefore, information otherwise required to be included by Section 299 of the Corporations Act 2001 has been excluded.

10. DIRECTORS' INTERESTS

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

As at 11 August 2008	Balance 9 July 2007	Prospectus Issue	Net Change Other	Balance 11 August 2008
Director	Shares	Shares	Shares	Shares
Peter Diamond				
Held Directly or Indirectly	-	2,500,000	-	2,500,000
Philip Rees				
Held Directly or Indirectly	-	500,000	-	500,000
Jay Hughes				
Held Directly or Indirectly	-	1,000,000	-	1,000,000
Michael Jefferies				
Held Directly or Indirectly	-	500,000	-	500,000

11. SHARE OPTIONS

As at the date of this report the Company has no options on issue.

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.

DIRECTORS' REPORT (CONT'D)**For the period from incorporation on 9 July 2007 to 30 June 2008****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. Further details on the remuneration of Directors and Executives are also provided in note 11 to the financial statements.

The company had no employees during the year ended 30 June 2008. Details of Key Management Personnel are as follows:

Peter Diamond	Chairman (non-executive)	Appointed 9 July 2007
Philip Rees	Executive Director	Appointed 31 October 2007
Jay Hughes	Director (non-executive)	Appointed 9 July 2007
Michael Jefferies	Director (non-executive)	Appointed 31 October 2007
Andrew McKenzie	Director (non-executive)	Appointed 9 July 2007, resigned 31 October 2007

Westoz Funds Management Pty Ltd is considered to be a Key Management Personnel ("KMP") with the authority for the strategic direction and management of Ozgrowth Limited.

Mr Jefferies is the only paid Director of the Company. Details of his remuneration for the year ended 30 June 2008 is as follows:

		Short-term	Post-employment	
		Fee (\$)	Superannuation (\$)	Total (\$)
M Jefferies	2008	25,000	-	25,000

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

The fees payable to Westoz Funds Management Limited include management and performance fees amounting to \$1,449,563 for the period. 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.

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 on page 34 to 40.

15. AUDITOR INDEPENDENCE

The auditors independence declaration under section 307C of the Corporations Act 2001 is included on page 11 and forms part of the Ozgrowth Limited's report for the year ended 30 June 2008.

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



PETER DIAMOND
Non Executive Chairman
Dated: 11 August 2008
Perth, Western Australia



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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 period from 9 July 2007 to 30 June 2008, 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.

A handwritten signature in cursive script that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in cursive script that reads 'T G Dachs'.

T G Dachs
Partner
Perth
11 August 2008

INCOME STATEMENT**For the period from incorporation on 9 July 2007 to 30 June 2008**

	Note	30/06/08 \$
INCOME		
Interest Income		2,490,430
Dividend income		157,667
Changes in the fair value of investments designated at fair value through profit or loss	4	5,497,244
Total Investment Income		8,145,341
EXPENSES		
Managers fees		1,449,563
Audit fees		38,500
Director fees		25,000
Professional fees		37,698
Other Expenses	5	53,632
Total expenses		1,604,393
PROFIT BEFORE INCOME TAX EXPENSE		6,540,948
Income tax expense	6	1,941,467
NET PROFIT FOR THE PERIOD		4,599,481
NET PROFIT ATTRIBUTABLE TO MEMBERS OF THE COMPANY		4,599,481
Earnings per share (cents)		
- Basic and Diluted	14	2.06
Dividend per share (cents)	7	0.20

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

**BALANCE SHEET
AS AT 30 June 2008**

	Note	30/06/2008 \$
CURRENT ASSETS		
Cash and Cash Equivalents	17(a)	45,635,291
Investments in financial assets designated at fair value through profit or loss:		
- Listed Equities and Managed Investment Schemes		41,207,191
Other	8	<u>151,740</u>
TOTAL CURRENT ASSETS		<u>86,994,222</u>
TOTAL ASSETS		<u>86,994,222</u>
CURRENT LIABILITIES		
Trade and Other Payables	9	453,174
Income Tax Payable		387,916
Distribution Payable	7	<u>800,001</u>
TOTAL CURRENT LIABILITIES		<u>1,641,091</u>
NON -CURRENT LIABILITIES		
Deferred Tax Liabilities	6	<u>1,553,551</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,553,551</u>
TOTAL LIABILITIES		<u>3,194,642</u>
NET ASSETS		<u>83,799,580</u>
EQUITY		
Contributed Equity	10	80,000,100
Retained Earnings	10	<u>3,799,480</u>
TOTAL EQUITY		<u>83,799,580</u>

The above balance sheet statement should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT**For the period from incorporation on 9 July 2007 to 30 June 2008**

	Note	30/06/2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received		2,490,430
Dividends received		112,667
Payments to suppliers and employees		(1,557,685)
		<hr/>
NET CASH FLOWS FROM OPERATING ACTIVITIES	17	<hr/> 1,045,412 <hr/>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments designated as at fair value through profit or loss		2,372,867
Payments for purchases of investments designated as at fair value through profit or loss		(37,783,088)
		<hr/>
NET CASH FLOWS USED IN INVESTING ACTIVITIES		<hr/> (35,410,221) <hr/>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares		<hr/> 80,000,100 <hr/>
NET CASH FLOWS FROM FINANCING ACTIVITIES		<hr/> 80,000,100 <hr/>
NET INCREASE/(DECREASE) IN CASH HELD		45,635,291
Cash and cash equivalents at the beginning of the period		<hr/> - <hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	17	<hr/> <hr/> 45,635,291 <hr/>

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

STATEMENT OF CHANGES IN EQUITY
For the period from incorporation on 9 July 2007 to 30 June 2008

	Contributed Equity \$	Retained Earnings \$	Total Equity \$
At 9 July 2007	-	-	-
Profit for the period	-	4,599,481	4,599,481
Total income and expense for the period	-	4,599,481	4,599,481
Equity transaction			
Issue of Share Capital	80,000,100	-	80,000,100
Dividend for the year	-	(800,001)	(800,001)
At 30 June 2008	<u>80,000,100</u>	<u>3,799,480</u>	<u>83,799,580</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

1. CORPORATE INFORMATION

The financial report of Ozgrowth Limited for the period ended 30 June 2008 was authorised for issue in accordance with a resolution of the Directors on 11 August 2008. The Company was incorporated on 9 July 2007. Accordingly, this is the first annual financial report for the Company prepared for the period 9 July 2007 to 30 June 2008. The financial report does not include comparative information.

Ozgrowth Limited is a company limited by shares that is incorporated and domiciled in Australia. The registered office is located at 11 Mounts Bay Road, Perth Western Australia 6000.

Ozgrowth Limited does not control any entities at 30 June 2008.

The economic entity had no paid employees as at 30 June 2008.

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.

The financial report for the period ended 30 June 2008 has been prepared on a historical cost basis except for investments in financial assets which are carried at fair value.

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

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards as issued by the Australian Accounting Standards Board and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

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 2008. These are outlined in the table below:

Reference	Title	Summary	Impact on Company's financial report	Application date for Company*
AASB 8 and AASB 2007-3	Operating Segments and consequential amendments to other Australian Accounting Standards	New standard replacing AASB 114 <i>Segment Reporting</i> , which adopts a management reporting approach to segment reporting.	AASB 8 is a disclosure standard so will have no direct impact on the amounts included in the Company's financial statements. The amendments may have an impact on the Company's segment disclosures.	1 July 2009

Reference	Title	Summary	Impact on Company's financial report	Application date for Company*
AASB 101 (Revised) and AASB 2007-8	Presentation of Financial Statements and consequential amendments to other Australian Accounting Standards	Introduces a statement of comprehensive income. Other revisions include impacts on the presentation of items in the statement of changes in equity, new presentation requirements for restatements or reclassifications of items in the financial statements, changes in the presentation requirements for dividends and changes to the titles of the financial statements.	These amendments are only expected to affect the presentation of the Company's financial report and will not have a direct impact on the measurement and recognition of amounts disclosed in the financial report. The Company has not determined at this stage whether to present a single statement of comprehensive income or two separate statements.	1 July 2009
AASB 2008-1	Amendments to Australian Accounting Standard – Share-based Payments: Vesting Conditions and Cancellations	The amendments clarify the definition of 'vesting conditions', introducing the term 'non-vesting conditions' for conditions other than vesting conditions as specifically defined and prescribe the accounting treatment of an award that is effectively cancelled because a non-vesting condition is not satisfied.	The Company may have share-based payment arrangements in the future. The Company has not yet determined the extent of the impact, if any.	1 July 2009
AASB 3 (Revised)	Business Combinations	The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.	The Company may enter into some business combinations during the next financial year and may therefore consider early adopting the revised standard. The Company has not yet assessed the impact of early adoption, including which accounting policy to adopt.	1 July 2009
AASB 2008-3	Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	Amending standard issued as a consequence of revisions to AASB 3 and AASB 127.	Refer to AASB 3 (Revised) and AASB 127 (Revised) above.	1 July 2009
Amendments to International Financial Reporting Standards	Improvements to IFRSs	The improvements project is an annual project that provides a mechanism for making non-urgent, but necessary, amendments to IFRSs. The IASB has separated the amendments into two parts: Part I deals with changes the IASB identified resulting in accounting changes; Part II deals with either terminology or editorial amendments that the IASB believes will have minimal impact.	The Group has not yet determined the extent of the impact of the amendments, if any.	1 July 2009

*designates the beginning of the applicable annual reporting period unless otherwise stated

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Investments in financial assets

All investments are initially recognized at fair value.

When financial assets are initially recognized they are recorded at fair value, plus in the case of investments not at fair value through the profit and loss, directly attributable transaction costs. The company determines the classification of its financial assets after initial recognition and when allowed and appropriate, re-evaluates this designation at each financial year end. The classification depends on the purpose for which investments were acquired. Designation is re-evaluated but there are restrictions on reclassifying to other categories.

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

Financial assets in the scope of AASB139 "Financial Instruments; Recognition and Measurement" are classified as financial assets at fair value through profit or loss. Financial assets are designated as fair value through profit or loss if the Company manages such investments and makes purchase and sales decisions based on their fair value in accordance with the Company's investment strategies.

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 balance sheet date.

For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Gains and losses on investments at fair value through profit and loss are recognised in the income statement.

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 recognized on the trade date i.e. the date that the Company commits to purchase the asset

(ii) *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 (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Cash and cash equivalents

Cash and cash equivalents in the balance sheet 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, net of outstanding bank overdrafts.

(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 sheet date.

Deferred income tax is recognised on all temporary differences at the balance sheet 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 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 sheet 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 sheet date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

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 balance sheet.

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) Income 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. The following specific recognition criteria must also be met before revenue is recognised:

Interest Income - 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 Income – 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.

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 and the fair value at the previous valuation point. This includes both realized and unrealized gains and losses but does not include dividend or interest income.

(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 future goods and services received. They represents 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 becomes 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(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 period adjusted for any bonus element. The Company has no dilutive securities on issue.

(k) Trade and Other Receivables

Receivables are recognized and carried at original amount less any provision for uncollectible debts. An estimate of doubtful debts is made when collection of an amount is no longer probable. Bad debts are written off when identified. Amounts are normally received within 30 days of being recorded as receivable.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Dividends

Provision is made for the amount of any dividend declared, determined or recommended 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.

(n) Significant Accounting Judgements, Estimates and Assumptions

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

3. SEGMENT INFORMATION

(a) Business Segment

The Company operated in one business segment during the period as an investment company. The Company considers this business segment to be its primary segment.

(b) Geographic Segment

The Company operated in one geographical segment being Australia.

30/06/08
\$

4. CHANGES IN FAIR VALUE OF INVESTMENTS DESIGNATED AS FAIR VALUE THROUGH PROFIT OR LOSS

Net realised gain on disposal of investments – listed equities and managed investment schemes	318,737
Net unrealised gain on investments – listed equities and managed investment schemes	5,178,507
	5,497,244

5. OTHER EXPENSES

Expenses	
Annual report costs	16,500
ASX Fees	22,702
Share registry	10,549
Other	3,881
	53,632

30/06/08
\$**6. INCOME TAX**

The major components of income tax expense are:

Income Statement*Current Income Tax*

Current income tax charge	387,916
---------------------------	---------

Deferred income tax

Relating to origination and reversal of temporary differences	1,553,551
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Income tax expense reported in income statement

<u>1,941,467</u>

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 profit before tax	6,540,948
Tax at the statutory income tax rate of 30%	1,962,283
Adjustment for permanent differences	(20,816)
Income tax expense	<u>1,941,467</u>

Deferred Income tax

Deferred income tax at 30 June relates to the following:

	Balance Sheet 2008	Income Statement 2008
<i>Deferred Tax Liabilities</i>		
Unrealized gain on investments in financial assets	1,553,551	1,553,551
	<u>1,553,551</u>	<u>1,553,551</u>

7. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES**Ordinary Shares**

Final dividend declared and provided for at 30 June 2008 of 0.2 cents per share per fully paid ordinary share	800,001
Fully franked based on tax paid or payable @ 30%	<u>800,001</u>

<u>800,001</u>

30/06/08
\$**7. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES (cont'd)****Franking Credit Balance**

Franking credits available at the end of the financial year at 30%	-
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	384,232
Franking credits that will arise from the receipt of franked dividends receivable at the end of the financial year	-
Franking debits that will arise by the payment of dividends as at the end of the financial year	(342,858)
	<hr/>
	41,374
	<hr/> <hr/>

8. OTHER CURRENT ASSETS

Other – Dividend Receivable	45,000
Other - GST Receivable (a)	106,740
	<hr/>
	151,740
	<hr/> <hr/>

Note (a): Other – GST Receivable is non-interest bearing and is generally claimed from the appropriate tax body on a quarterly basis.

9. TRADE AND OTHER PAYABLES (CURRENT)

Trade Payables	153,448
Outstanding purchase settlements	299,726
Other Payables	-
	<hr/>
	453,174
	<hr/> <hr/>

Total payables are non-interest bearing and normally settled on 30 day terms.

10. CONTRIBUTED EQUITY**(a) Contributed Equity**

400,000,500 fully paid ordinary shares	<hr/> 80,000,100
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10. CONTRIBUTED EQUITY (cont'd)

<i>(b) Movements in ordinary shares on Issue</i>	Number of Shares	\$
Beginning of the financial period		
Issued during the period		
- Issued at formation	500	100
- Prospectus issue	400,000,000	80,000,000
	<u>400,000,500</u>	<u>80,000,100</u>

(c) Terms and conditions of contributed equity

The Company does not have an authorized 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) Retained Earnings

Balance at beginning of period	-
Net profit for the year	4,599,481
Provision for dividend	(800,001)
Balance at end of period	<u>3,799,480</u>

(e) Capital Management

The capital management and investment objective is to produce a positive return on funds, regardless of the general direction of the listed share market that is consistent with acceptable risk parameters. The Company has delegated the capital management and investment to its investment manager, Westoz Funds Management Pty Ltd.

Where available, the Company intend to payout a minimum of 50% of realised after tax profits by way of dividends to investors.

The company's total capital at 30 June 2008 was \$83,799,580 comprising equity share capital and retained earnings. The Company was ungeared at year end.

11. AUDITORS' REMUNERATION

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	38,500
- services in relation to tax compliance for the company	-
	<u>38,500</u>

12. KEY MANAGEMENT PERSONNEL

(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 is the only paid Director of the Company. The total remuneration payable for the financial period is \$25,000.

(b) Transactions with Directors or Director Related Entities

The Directors of Ozgrowth Limited during the period were Mr Peter Diamond, Mr Philip Rees (appointed 31 October 2007), Mr Jay Hughes, Mr Michael Jefferies (appointed 31 October 2007) and Mr Andrew McKenzie (resigned 31 October 2007).

Westoz Funds Management Pty Ltd, a company of which Messrs Diamond, Rees and Hughes are Directors is considered to be a Key Management Personnel ("KMP") with the authority for the strategic direction and management of Ozgrowth Limited. Westoz Funds Management Pty Ltd received management fees from the company for the management of its assets. A fee (inclusive of a performance fee) of \$1,449,563 was charged in the period for these services. There is no outstanding balance as at 30 June 2008.

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. Consequently, no compensation as defined in AASB 124 "Related Party Disclosures" is paid by Ozgrowth Limited to the Directors as KMP.

Euroz Securities Limited, a company of which Messrs Diamond and Hughes are directors received brokerage fees for transactions undertaken by the company in respect of its investments. An amount of \$130,324 was paid in the period as brokerage to Euroz Securities Limited. There is no outstanding balance as at 30 June 2008.

The above transactions were entered into on normal commercial terms.

(c) Shareholdings of Key Management Personnel

As at 30 June 2008	Balance 9 July 2007	Prospectus Issue	Net Change Other	Balance 30 June 2008
Director	Shares	Shares	Shares	Shares
Peter Diamond				
Held Directly or Indirectly	-	2,500,000	-	2,500,000
Philip Rees				
Held Directly or Indirectly	-	500,000	-	500,000
Jay Hughes				
Held Directly or Indirectly	-	1,000,000	-	1,000,000
Michael Jefferies				
Held Directly or Indirectly	-	500,000	-	500,000
Westoz Funds Management Pty Ltd				
Held Directly or Indirectly	-	-	-	-

13. RELATED PARTY DISCLOSURES**(a) Ultimate Parent**

Ozgrowth Limited is the ultimate Australian parent company.

(b) Other related Party Transactions

There are no other related party transactions other than those discussed in Note 12.

14. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net profit 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.

	30/06/08
	\$
Net profit attributable to ordinary equity holders of the company used in calculating basic earnings per share	4,599,481
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	222,969,688
Basic earnings per share (cents)	2.06

15. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or events have occurred subsequent to 30 June 2008 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.

16. CONTINGENT LIABILITIES

The Company has no contingent liabilities.

17. 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: -

Cash at Bank and in hand	10,859,760
Bank Bills	34,775,531
	<u>45,635,291</u>

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

Bank Bills are for varying periods depending on the immediate cash requirements of the company and earn interest at the respective bank bill rates.

The fair value of cash and cash equivalents is \$45,635,291.

30/06/08
\$**17. NOTES TO THE STATEMENTS OF CASH FLOW (cont'd)****(b) Reconciliation from the Net Profit after Income Tax to Net Cash flows Generated from Operating Activities**

Net profit / (loss) after tax	4,599,481
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Adjustment for Non-Cash Items:**Items classified as Investing**

Unrealised profit on shares	(5,178,507)
Realised profit on shares	(318,737)

Changes in Assets and Liabilities:

Increase in trade and other payables	153,448
Increase in other assets	(151,740)
Increase in deferred tax liabilities	1,553,551
Increase in tax payable	387,916

Net Cash generated from Operating Activities	1,045,412
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(c) Financing Facilities Available

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

18. 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 and short term deposits. The Company has other financial instruments such as trade creditors 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 2008.

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, are readily convertible into cash. 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 are contractually matured within 60 days.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)*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 on the balance sheet. The Company holds financial instruments with credit worthy third parties.

At 30 June 2008, the Company held listed equities and cash. Cash deposits were held on an at call basis with an institution covered under the Banking Act 1959 with a rating from Standard & Poors of AA (long term) and A+ (short term). The Company has no past due or impaired debtors as at 30 June 2008.

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 an external party 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 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 can not 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.

The portfolio position as at 30 June 2008 is as follows:

Resources	Value	Industrials	Value
Beach Petroleum Limited	2,016,700	Amcom Telecommunications Limited	892,640
Coal of Africa Limited	3,117,350	Ausdrill Limited	2,298,940
Gryphon Minerals Limited	93,130	Automotive Holdings Group Limited	2,153,142
Incremental Petroleum Limited	1,725,000	Brandrill Limited	1,510,938
Indophil Resources NL	1,860,787	Clough Limited	5,040,000
Lachlan Star Limited	1,022,445	iiNet Limited	1,833,362
Mineral Deposits Limited	410,000	Pearlstreet Limited	803,250
Northern Iron Limited	3,216,758	Rubik Financial Limited	1,605,399
OM Holdings Limited	4,262,500		16,137,671
Sphere Investments Limited	3,050,061	Cash	45,635,291
Territory Resources Limited	408,758		86,842,482
United Minerals Corporation NL	787,223		
Windimurra Vanadium Limited	3,098,808		
	25,069,520		

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont.)

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.

As at 30 June 2008, cash deposits were held at call.

The following table demonstrates the sensitivity of the Company's income statement 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:

Change in Basis Points		2008		2008	
		Effect on Post Tax Profit (\$)		Effect on Equity including retained earnings (\$)	
Increase	Decrease	Increase	Decrease	Increase	Decrease
50	50	163,223	(163,223)	163,223	(163,223)

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 income statement 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:

Index	Change in Index	2008	2008
		Effect post tax profit (\$)	Effect on Equity including retained earnings (\$)
ASX Small Ordinaries Index	Down 10%	(2,884,503)	(2,884,503)

19. INVESTMENT TRANSACTIONS

The total number of contract notes that were issued for transactions during the financial year was 292. The total brokerage paid on these contract notes was \$134,298.

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 2008 and of its performance for the period from 9 July 2007 to that date; and
 - (ii) complying with Accounting Standards and Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
2. This declaration has been made after receiving the declaration required to be made to directors in accordance with section 295A of the Corporations Act 2001 for the period ended 30 June 2008.

On behalf of the Board

A handwritten signature in black ink, appearing to be 'Peter Diamond', written over a horizontal line.

Peter Diamond
Chairman
Dated: 11 August 2008



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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 balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the period from 9 July 2007 to 30 June 2008, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 2, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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

Independence

In conducting our audit we have met the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration.

Auditor's Opinion

In our opinion:

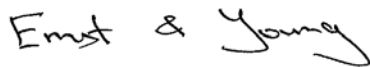
1. the financial report of Ozgrowth Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Ozgrowth Limited at 30 June 2008 and of its performance for the period from 9 July 2007 to 30 June 2008; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

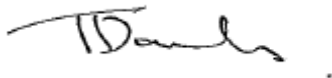
We have audited the Remuneration Report included in paragraph 13 of the directors' report for the period from 9 July 2007 to 30 June 2008. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion the Remuneration Report of Ozgrowth Limited for period from 9 July 2007 to 30 June 2008 complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



T G Dachs
Partner
Perth
11 August 2008

STATEMENT OF CORPORATE GOVERNANCE PRACTICES FOR THE PERIOD ENDED 30 June 2008

The Company is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve, the Company has turned to the ASX Corporate Governance Council's *Principles of Good Corporate Governance and Best Practice Recommendations*. The Company is pleased to advise that its practices are largely consistent with those of the ASX guidelines. Departures from the guidelines are discussed in the relevant section.

Where the Company's corporate governance practices do not correlate with the practices recommended by the Council, the Company does not consider that the practices are appropriate for the Company due to the size and the nature of its operations.

The following table cross-references each recommendation of the ASX guidelines with sections of this report. The table does not provide the full text of each recommendation but rather the topic covered. Details of all of the recommendations can be found on the ASX Corporate Governance Council's website at http://www.asx.com.au/about/CorporateGovernance_AA2.shtm.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 2.1 Independent Directors	1.2
Recommendation 2.2 Independent Chairman	1.2
Recommendation 2.4 Establishment of Nomination Committee	2.3
Recommendation 2.5 Reporting on Principle 2	1.2, 1.4.6, 2.2 and the Directors' Report
Recommendation 3.1 Directors' and Key Executives' Code of Conduct	1.1
Recommendation 3.2 Company Securities Trading Policy	1.4.9
Recommendation 3.3 Reporting on Principle 3	1.1 and 1.4.9
Recommendation 4.1 Attestations by CEO and CFO	1.4.11
Recommendation 4.2 Establishment of Audit Committee	2.1
Recommendation 4.3 Structure of Audit Committee	2.1.2
Recommendation 4.4 Audit Committee Charter	2.1
Recommendation 4.5 Reporting on Principle 4	2.1
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	1.4.4
Recommendation 5.2 Reporting on Principle 5	1.4.4
Recommendation 6.1 Communications Strategy	1.4.8
Recommendation 6.2 Attendance of Auditor at General Meetings	1.4.8
Recommendation 7.1 Policies on Risk Oversight and Management	2.1.3
Recommendation 7.2 Attestations by CEO and CFO	1.4.11
Recommendation 7.3 Reporting on Principle 7	2.1.3
Recommendation 8.1 Evaluation of Board, Directors and Key Executives	1.4.10
Recommendation 9.1 Remuneration Policies	2.2
Recommendation 9.2 Establishment of Remuneration Committee	2.2
Recommendation 9.3 Executive and Non-Executive Director Remuneration	2.2.1.1 and 2.2.1.2
Recommendation 9.4 Equity-Based Executive Remuneration	2.2.1.1
Recommendation 9.5 Reporting on Principle 9	2.2.1
Recommendation 10.1 Company Code of Conduct	3

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (CONT'D)
FOR THE PERIOD ENDED 30 June 2008**1. Board of Directors****1.1 Role of the Board**

The Board's role is to govern the Company rather than to manage it. In governing the Company, the Directors must act in the best interests of the Company as a whole. It is the role of senior management to manage the Company in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

In carrying out its governance role, the main task of the Board is to drive the performance of the Company. The Board must also ensure that the Company complies with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body. The Board has the final responsibility for the successful operations of the Company.

To assist the Board carry out its functions, it has developed a Code of Conduct to guide the Directors and key executives in the performance of their roles.

1.2 Composition of the Board

To add value to the Company, the Board has been formed so that it has effective composition, size and commitment to adequately discharge its responsibilities and duties. The names of the Directors and their qualifications and experience are stated on page 7 along with the term of office held by each of the Directors. Directors are appointed based on the specific governance skills required by the Company and on the quality of their decision-making and judgment.

The Company recognizes the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer. At the year end there were three Non-Executive Directors in the company, one of which was an Independent Director. An Independent Director must meet the following criteria for independence adopted by the Company:

- is a Non-Executive Director and:
- is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
- within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
- is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- has no material contractual relationship with the Company or other group member other than as a Director of the Company;
- has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Company does not have a majority of Independent Directors nor is the Chairman an Independent Director. The Company believes that due to the nature of its operations and size, the current structure is appropriate.

1.3 Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of the Company. It is required to do all things that may be necessary to be done in order to carry out the objectives of the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (CONT'D)

FOR THE PERIOD ENDED 30 June 2008

1.3 *Responsibilities of the Board (cont'd)*

Without intending to limit this general role of the Board, the principal functions and responsibilities of the Board include the following.

- **Leadership of the Organisation:** overseeing the Company and establishing codes that reflect the values of the Company and guide the conduct of the Board, management and employees.
- **Strategy Formulation:** working with management to set and review the overall investment strategy and goals for the Company and ensuring that there are policies in place to govern the operation of the Company.
- **Overseeing Planning Activities:** overseeing the development of the Company's strategic plan and approving that plan as well as budgets.
- **Shareholder Liaison:** ensuring effective communications with shareholders through an appropriate communications policy and promoting participation at general meetings of the Company.
- **Monitoring, Compliance and Risk Management:** overseeing the Company's risk management, compliance, control and accountability systems and monitoring and directing the financial and operational performance of the Company.
- **Company Finances:** approving expenses in excess of those approved in the annual budget and approving and monitoring financial, investment and other reporting.
- **Human Resources:** appointing, and, where appropriate, removing the Executive Officers as well as reviewing the performance of Executive Officers and monitoring their implementation of the Company's strategy.
- **Ensuring the Health, Safety and Well-Being of Employees:** in conjunction with the senior management team, developing, overseeing and reviewing the effectiveness of the Company's occupational health and safety systems to ensure the well-being of all employees.
- **Delegation of Authority:** delegating appropriate powers to Executive Officers to ensure the effective day-to-day management of the Company and establishing and determining the powers and functions of the Committees of the Board.

Full details of the Board's role and responsibilities are contained in the Board Charter, a copy of which is available on request from the Company.

1.4 *Board Policies*

1.4.1 *Conflicts of Interest*

Directors must:

- disclose to the Board actual or potential conflicts of interest that may or might reasonably be thought to exist between the interests of the Director and the interests of any other parties in carrying out the activities of the Company; and
- if requested by the Board, within seven days or such further period as may be permitted, takes such necessary and reasonable steps to remove any conflict of interest.

If a Director cannot or is unwilling to remove a conflict of interest then the Director must, as per the *Corporations Act*, absent himself or herself from the room when discussion and/or voting occurs on matters about which the conflict relates.

1.4.2 *Commitments*

Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (CONT'D)

FOR THE PERIOD ENDED 30 June 2008

1.4.3 Confidentiality

In accordance with legal requirements and agreed ethical standards, Directors and Executive Officers of the Company have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorized or legally mandated.

1.4.4 Disclosure

The Board has designated the Company Secretary as the person responsible for overseeing and coordinating disclosure of information to shareholders.

1.4.5 Education and Induction

New Directors undergo an induction process in which they are given a full briefing on the Company. This includes meetings with executive Officers, tours of the premises, an induction package and presentations. Information conveyed to new Directors includes:

- details of the roles and responsibilities of a Director with an outline of the qualities required to be a successful Director;
- formal policies on Director appointment as well as conduct and contribution expectations;
- details of all relevant legal requirements;
- a copy of the Board Charter;
- guidelines on how the Board processes function;
- details of past, recent and likely future developments relating to the Board including anticipated regulatory changes;
- background information on and contact information for key people in the organization including an outline of their roles and capabilities;
- an analysis of the Company;
- a synopsis of the current investment strategy of the Company including a copy of the annual budget; and
- a copy of the Constitution of the Company.

In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. Specifically, Directors are provided with the resources and training to address skills gaps where they are identified.

1.4.6 Independent Professional Advice

The Board collectively and each Director has the right to seek independent professional advice at the Company's expense, up to specified limits, to assist them to carry out their responsibilities.

1.4.7 Related Party Transactions

Related party transactions include any financial transaction between a Director and the Company and will be reported in writing to each Board meeting. Unless there is an exemption under the *Corporations Act* from the requirement to obtain shareholder approval for the related party transaction, the Board cannot approve the transaction.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (CONT'D)
FOR THE PERIOD ENDED 30 June 2008*1.4.8 Shareholder Communication*

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to:

- communicating effectively with shareholders through its website, information mailed to shareholders and the general meetings of the Company;
- giving shareholders ready access to balanced and understandable information about the Company and corporate proposals;
- making it easy for shareholders to participate in general meetings of the Company; and
- requesting the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company also makes available a telephone number for shareholders to make enquiries of the Company.

1.4.9 Trading in Company Shares

The Company has a Share Trading Policy under which Directors and certain employees and their associates may trade in the Company's securities during the 2 weeks immediately after each of the following ("trading window"):

- the release by the Company of its monthly NTA;
- the release by the Company of its half-yearly results; and
- the release by the Company of its annual results.

The Share Trading Policy also allows for individuals to trade in the Company's securities at other times provided they advise specified Company officers and that such trade are consistent with the law. Officers are prohibited from trading in the Company's securities while in the possession of unpublished price sensitive information concerning the Company. Unpublished price sensitive information is information regarding the Company of which the market is not aware and that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Notice of an intention to trade must be given prior to trading in the Company's securities as well as a confirmation that the person is not in possession of any unpublished price sensitive information.

1.4.10 Performance Review/Evaluation

Each year the Board conducts an evaluation of its performance. The Board's performance is measured against both qualitative and quantitative indicators. The objective of this evaluation was to provide best practice corporate governance to the Company.

1.4.11 Attestations by Executive Officer

In accordance with the Board's policy, the Executive Officer makes the attestations recommended by the ASX Corporate Governance Council as to the Company's financial condition prior to the Board signing an Annual Report.

2. Board Committees*2.1 Audit Committee*

The Audit Committee was formed by resolution of the Board. Below is a summary of the role, composition and responsibilities of the Audit Committee. Further details are contained in the Audit Committee's Charter.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (CONT'D)

FOR THE PERIOD ENDED 30 June 2008

2.1.1 Role

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors.

2.1.2 Composition

The Audit Committee consists of three members. Members are appointed by the Board from amongst the Non-Executive Directors if possible. The current members of the Audit Committee are Mr Jefferies, Mr Diamond and Mr Hughes. All members can read and understand financial statements and are otherwise financially literate. Mr. Jefferies is the Chairman with experience in financial and accounting matters. The details of the member's qualifications may be found in their Director Profiles on page 7.

The Audit Committee does not contain a majority of Independent Directors. The Company believes that due to the nature of its operations and size, the current structure is appropriate.

The Audit Committee held 2 meetings throughout the year and all members attended.

2.1.3 Responsibilities

The Audit Committee reviews the audited annual and half-yearly financial statements and any reports which accompany published financial statements before submission to the Board and recommends their approval.

The Audit Committee also recommends to the Board the appointment of the external auditor and the internal auditor and, each year, reviews the appointment of the external auditor, their independence, the audit fee and any questions of resignation or dismissal.

The Audit Committee is also responsible for establishing policies on risk oversight and management.

2.2 Remuneration Committee

As the whole Board only consists of four members and has one Executive Officer, the Company does not have a remuneration committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.2.1 Remuneration Policy

The Remuneration Policy has been approved by the Board.

2.2.1.1 Executive Officer Remuneration Policy

The Company is committed to remunerating its senior executives, where required, in a manner that is market competitive and consistent with best practice as well as supporting the interests of shareholders. Consequently, under the Executive Officer Remuneration Policy the remuneration of senior executive may be comprised of the following:

- fixed salary that is determined from a review of the market and reflects core performance requirements and expectations;
- a performance bonus designed to reward actual achievement by the individual of performance objectives and for materially improved Company performance;
- participation in an option scheme with thresholds approved by shareholders;
- statutory superannuation

As the current Executive Officer is remunerated by the Company's investment manager, it has been determined that no amount be paid by the Company for his services.

2.2.1.2 Non-Executive Director Remuneration Policy

Non-Executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for the remuneration of Non-Executive Directors. Non-Executive Directors do not receive performance based bonuses and do not participate in equity schemes of the Company.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (CONT'D)
FOR THE PERIOD ENDED 30 June 2008**2.2.1.2 Non-Executive Director Remuneration Policy (cont'd)**

Non-Executive Directors are entitled to statutory superannuation.

2.2.2 Current Director Remuneration

The aggregate amount of remuneration paid to Non-Executive Directors was approved by shareholders on 31 July 2007 and is currently \$250,000. Section 13 of the Directors Report above details the remuneration received by all of the Company's Directors.

2.3 Nomination Committee

As the whole Board only consists of four members, the Company does not have a nomination committee because it would not be a more efficient mechanism than the full Board for focusing the Company on specific issues.

2.3.1 Criteria for Selection of Directors

Directors are appointed based on the specific governance skills required by the Company.

3. Company Code of Conduct

As part of its commitment to recognizing the legitimate interests of stakeholders, the Company has established a Code of Conduct to guide compliance with legal and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. The Company Code of Conduct was adopted by resolution of the Board. This Code includes the following.

Responsibilities to Shareholders and the Financial Community Generally

The Company complies with the spirit as well as the letter of all laws and regulations that govern shareholders' rights. The Company has processes in place designed to ensure the truthful and factual presentation of the Company's financial position and prepares and maintains its accounts fairly and accurately in accordance with the generally accepted accounting and financial reporting standards.

Responsibilities to Clients, Customers and Consumers

Each employee has an obligation to use their best efforts to deal in a fair and responsible manner with each of the Company's clients, customers and consumers. The Company for its part is committed to providing clients, customers and consumers with fair value.

Employment Practices

The Company endeavors to provide a safe workplace in which there is equal opportunity for all employees at all levels of the Company. The Company does not tolerate the offering or acceptance of bribes or the misuse of Company assets or resources.

Obligations Relative to Fair Trading and Dealing

The Company aims to conduct its business fairly and to compete ethically and in accordance with relevant competition laws. The Company strives to deal fairly with the Company's customers, suppliers, competitors and other employees and encourages its employees to strive to do the same.

Responsibility to the Individual

The Company is committed to keeping private information from employees and investors confidential and protected from uses other than those for which it was provided.

Conflicts of Interest

Employees and Directors must avoid conflicts as well as the appearance of conflicts between personal interests and the interests of the Company.

SHAREHOLDER INFORMATION**ORDINARY SHARES AT 28 JULY 2008****A) DISTRIBUTION OF SHAREHOLDERS**

Analysis of number of shareholders by size of holding:

Issued Capital Distribution of Holdings	Ordinary Shares	
	Holders	Units
1-5,000	28	101,026
5,001-10,000	95	919,580
10,001-100,000	582	29,952,503
100,001 and over	365	369,027,391
TOTAL Holders	1,070	400,000,500

B) TOP TWENTY SHAREHOLDERS

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

No	Shareholder	Shares	%
1	Zero Nominees Pty Ltd	109,871,000	27.5%
2	Osson Pty Ltd	40,000,000	10.0%
3	Wyllie Group Pty Ltd	25,000,000	6.2%
4	Australian Executor Trustees Limited	18,081,277	4.5%
5	Thorney Holdings Pty Ltd	15,000,000	3.7%
6	Racwa Holdings Pty Ltd	12,500,000	3.1%
7	Rbc Dexia Investor Services Australia Nominees Pty Limited	5,319,500	1.3%
8	Mr Geoffrey Francis Brown	5,000,000	1.2%
9	Onyx (Wa) Pty Ltd	5,000,000	1.2%
10	Yandal Investments Pty Ltd	5,000,000	1.2%
11	Denby Macgregor Superannuation Fund Pty Ltd	2,500,000	0.6%
12	Palazzo Nominees Pty Ltd	2,500,000	0.6%
13	Durbeck Pty Ltd	2,400,000	0.6%
14	Gjp Investments Pty Ltd	2,220,000	0.6%
15	Athabasca Pty Ltd	1,500,000	0.4%
16	Mr Andrew William Mckenzie	1,500,000	0.4%
17	Rollason Pty Ltd	1,500,000	0.4%
18	Mr Nicholas Duncan	1,450,000	0.4%
19	Imaka Pty Ltd	1,350,000	0.3%
20	Bright Dragon Pty Ltd	1,250,000	0.3%
	TOTAL	258,941,777	64.7%
	Remainder	141,058,723	35.3%
	GRAND TOTAL	400,000,500	100.0%

C) SHAREHOLDERS WITH GREATER THAN 5%

As at 28 July 2008, the company had 3 shareholders with greater than 5% of the issued ordinary share capital:

Shareholder	Shares	%
Euroz Limited	100,000,500	25.0%
Osson Pty Ltd	40,000,000	10.0%
Wyllie Group Pty Ltd	25,000,000	6.2%