

WESTOZ INVESTMENT COMPANY LIMITED

A.B.N. 99 113 332 942

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2009

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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.westozfunds.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

Terry Budge

Non-Executive Director

CHAIRMAN'S REPORT AND THE PERIOD IN REVIEW

Highlights

On behalf of my fellow Directors, I am pleased to present the 2009 Annual Report for the Company.

The year under review presented the most challenging investment environment since the Great Depression. Our investment portfolio was not immune to the dramatic falls in global financial markets and a decrease in portfolio value over the twelve months has resulted.

Significant results from the year are:

- Westoz Investment Company Limited has recorded a pre tax loss of \$89,780,378 (2008: profit of \$92,474,715) and net loss after tax of \$62,467,263 (2008: profit of \$65,217,748).
- Due to the fall in value of investments and subsequent reported loss, the Directors have not declared a dividend payable out of the results (2008: 10 cents per share fully franked).
- A further 2,884,813 shares were issued over the year. The Company now has 122,724,384 shares on issue to over 750 shareholders.
- Total net assets of the company have fallen from \$210,497,134 at 30 June 2008 to \$152,270,546.
- Net assets per share fell from \$1.76 at 30 June 2008 to \$1.24 per share at 30 June 2009. This figure is after allowance for all costs and tax on unrealized gains in our investment portfolio.

For more detailed information on the investment performance of the company, I refer you to the Managers Report on page 5.

Whilst we are disappointed with the loss in the last year, our primary target remains to produce positive returns for investors over the medium to long term. Since inception of the Company, we have been able to grow the net assets per share from \$1.00 to \$1.24 and have paid 20 cents back to shareholders through fully franked dividends. Given the conditions in financial markets over the last year, we are encouraged by the fact that our record against this long term target remains intact.

When we established Westoz Investment Company Limited, we considered one of its key strengths was its stable pool of capital to invest over the full economic cycle. We have clearly entered a period of depressed economic activity where market prices of financial assets have fallen and we are in a strong position to take advantage of these falls. Our Company remains well placed to prosper beyond these difficult times as conditions improve.

I look forward to reporting on our progress through the coming financial period.

Yours sincerely



PETER DIAMOND
Chairman

ABOUT WESTOZ

- Westoz Investment Company Limited is an unlisted investment company that focuses on producing a positive return on funds invested.
- It was formed on 11 March 2005 and raised its initial capital for investment in May 2005. As at 30 June 2009, it had \$157,909,810 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 is to 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 billion.
- The manager is paid a base fee of 1% per annum of funds managed. In addition, where performance exceeds 10% over a twelve month period to the end of June, a performance fee is paid to the manager.
- The company is currently not listed, however, it intends applying for quotation of its securities on the Australian Stock Exchange in August 2009.

Managers Report

Portfolio Return

The assets of the company are managed to generate a positive return regardless of the return from the broader Australian share market.

To assist in an assessment of performance, the rate of return before fees and taxes is calculated.

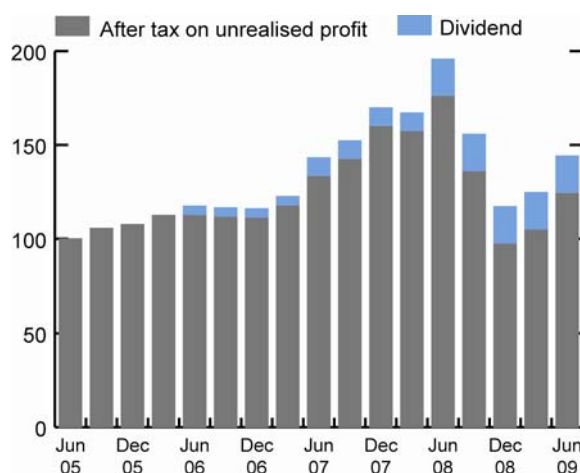
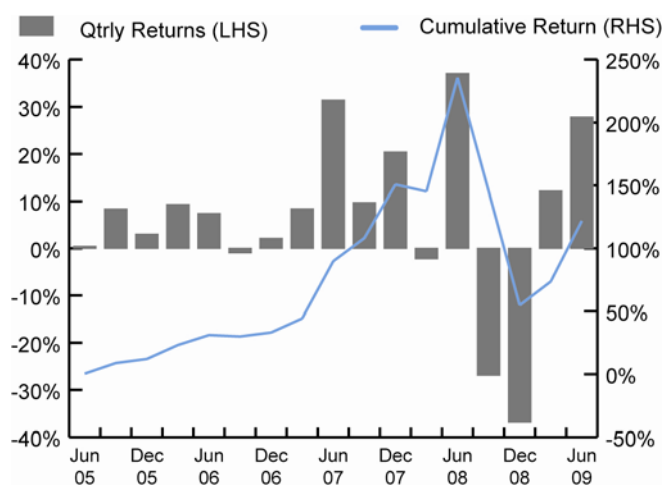
The overall performance of the portfolio on this basis was (33.8%) (2008: 77.9%).

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 after all realized costs, dividends and provision is made for tax payable on unrealised gains.

Over the twelve months, this number fell from \$1.76 at 30 June 2008 to \$1.24 at 30 June 2009.

At 30 June 2008, a provision for payment of 10 cents per share dividend was made. This dividend was paid in August 2008. At 30 June 2009 no provision has been made for a dividend.



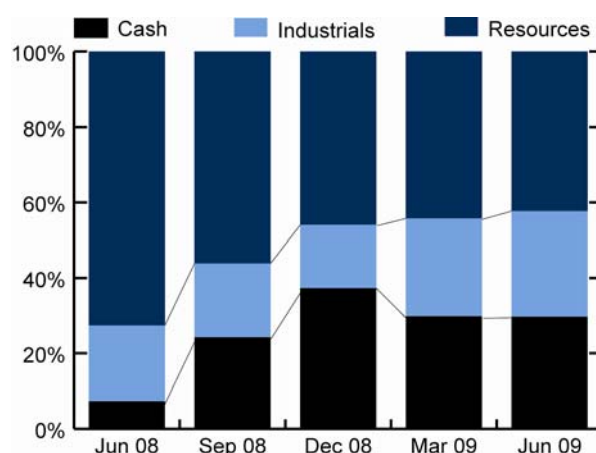
Asset Allocation

The dollar value of cash holdings remained reasonably consistent over the period, although the percentage of the portfolio fell as the value of equity positions rose in value.

As at 30 June 2009, 30% of assets were held in cash (2008: 7%).

The allocation between resources and industrial shares moved towards resource shares, both from allocation of new investment and appreciation in existing positions.

At years end, investments were held in 13 separate companies.



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Investment Portfolio					
Industrials	Number of shares	Fair value at 30 June 2009	Resources	Number of shares	Fair value at 30 June 2009
Automotive Holdings Group Limited	6,912,690	9,882,272	Coal of Africa Limited	4,954,414	7,927,062
Amcom Telecommunications Limited	10,573,036	1,585,955	Indophil Resources NL	7,500,157	3,450,072
Brandrill Limited	18,047,000	812,115	Medusa Mining Limited	1,293,125	2,870,738
Clough Limited	32,520,498	23,089,554	Northern Iron Limited	5,946,872	7,790,402
iiNet Limited	4,914,148	8,501,476	OM Holdings Limited	24,247,690	33,219,335
Neptune Marine Services Limited	8,281,000	4,471,740	Sphere Investments Limited	3,019,790	2,159,150
		48,343,112	Straits Resources Limited	2,213,494	4,648,315
					62,065,074
			Cash		46,707,628
					157,115,837

Outlook

We remain confident that the worst of the financial difficulties encountered in the last financial year are behind us, but recognize that further improvement will not be in a straight line. With a stabilization of commodity markets, along with expected major project development, we expect our focus on investment situations with some connection to Western Australia will continue to allow us to identify and make investments for the portfolio that will meet our targeted return levels.

DIRECTORS' REPORT FOR THE YEAR ENDED 30 June 2009

Your directors submit their report for the year ended 30 June 2009.

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
Philip Rees
Jay Hughes
Terry Budge

Non Executive Chairman

Peter Diamond

Mr Diamond is the Non-Executive Chairman of the Company and serves on the Company's Audit Committee. He is also the Executive Chairman of Euroz Limited (appointed 20 November 2000) and Non Executive Chairman of Ozgrowth Limited (appointed 9 July 2007). 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 the Executive Director and Company Secretary of the Company. He is also the Executive Director of Ozgrowth Limited (appointed 31 October 2007) 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 and serves on the Company's Audit Committee. He is an Executive Director of Euroz Limited (appointed 20 November 2000) and Non Executive Director of Ozgrowth Limited (appointed 9 July 2007). 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 Terry Budge

Mr Budge is a Non-Executive Director of the Company and serves on the Company's Audit Committee. He is the Chairman of Leadership WA (appointed 4 August 2004), Chancellor of Murdoch University (appointed to Senate 1 June 2004) and a Director of Aspen Group Limited (appointed 6 May 2005) and Days of Change and a member of the Board of Advice for AON Risk Management Services Australia. Mr Budge holds a Bachelor of Economics from Monash University and is a Graduate of the Advanced Management Program from Harvard Business School. He is also a Graduate and Fellow of the Australian Institute of Company Directors, a Senior Fellow of the Financial Services Institute of Australia and a Fellow of the Australian Institute of Management

DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 June 2009

2. DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year ended 30 June 2009 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	8	7	3	3
Philip Rees	8	8	-	-
Jay Hughes	8	8	3	3
Terry Budge	8	8	3	3

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 2009, the company made an operating loss after tax of \$62,467,263 (2008: profit of \$65,217,748).

5. DIVIDENDS

A dividend of \$11,983,957 (10 cents per share) was declared on 27 June 2008 and has been paid in the year ended 30 June 2009.

The Board of Directors has not recommended that a dividend be paid in respect of the 2009 financial year. Hence, no amount (2008: \$11,983,957) is provided in the 30 June 2009 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", provide 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 2,884,813 new ordinary shares were issued during the period.

DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 June 2009

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 company, the results of those operations or the state of affairs of the company 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 company if information in respect of future plans or likely developments in the company'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 are:

As at 30 June 2009	Balance 1 July 2008		Option Exercise		Net Change Other		Balance 30 June 2009	
	Shares	Options	Shares	Options	Shares	Options	Shares	Options
Director								
Peter Diamond								
Held Directly or indirectly	201,236	-	-	-	-	-	201,236	-
Philip Rees								
Held Directly or indirectly	220,929	-	-	-	-	-	220,929	-
Jay Hughes								
Held Directly or indirectly	398,206	-	-	-	-	-	398,206	-
Terry Budge								
Held Directly or indirectly	146,912	-	-	-	9,995	-	156,907	-

As at 30 June 2008	Balance 1 July 2007		Option Exercise		Net Change Other		Balance 30 June 2008	
	Shares	Options	Shares	Options	Shares	Options	Shares	Options
Director								
Peter Diamond								
Held Directly or indirectly	150,000	45,283	45,283	(45,283)	5,953	-	201,236	-
Philip Rees								
Held Directly or indirectly	159,655	54,938	54,938	(54,938)	6,336	-	220,929	-
Jay Hughes								
Held Directly or indirectly	330,000	68,206	68,206	(68,206)	-	-	398,206	-
Terry Budge								
Held Directly or indirectly	136,972	4,503	4,503	(4,503)	5,437	-	146,912	-

DIRECTORS' REPORT (CONT'D) FOR THE YEAR ENDED 30 June 2009

11. SHARE OPTIONS

As at the date of this report and the reporting date, there were 693,810 unissued ordinary shares under options. No shares under options were issued during the year ended 30 June 2009. These options have an exercise price of \$1.20 per share and expire on 30 June 2010. Option holders do not have any right, by virtue of the option, to participate in any issue of the company.

12. INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

Westoz Investment Company 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 to the extent permitted under the *Corporations Act 2001*.

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 2009 or 30 June 2008. Details of Key Management Personnel are as follows:

Peter Diamond	Chairman (non-executive)	Appointed 11 March 2005
Philip Rees	Executive Director	Appointed 11 March 2005
Jay Hughes	Director (non-executive)	Appointed 11 March 2005
Terry Budge	Director (non-executive)	Appointed 4 April 2005

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

Mr Budge is the only paid Director of the Company on a monthly basis. His services may be terminated by him at any time and otherwise by shareholder vote. Details of his remuneration for the year ended 30 June 2009 is as follows:

		Short-term Base Fee (\$)	Post-employment Superannuation (\$)	Total (\$)
T Budge	2009	55,000	-	55,000
	2008	44,000	-	44,000

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 Pty Ltd include management of \$1,525,975 (2008: \$1,997,350) and performance fees of \$nil (2008: \$20,741,130) for the period. These fees were charged in accordance with a 10 year management agreement in force until 30 June 2019. Management fee is calculated at 1% per annum of funds managed. Performance fee is payable where performance exceeds 10% 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.

**DIRECTORS' REPORT (CONT'D)
FOR THE YEAR ENDED 30 June 2009**

14. CORPORATE GOVERNANCE

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors of Westoz Investment Company Limited support and have adopted a corporate governance plan. Details of the Corporate Governance Practices can be found on page 36 to 43.

15. AUDITOR INDEPENDENCE AND NON AUDIT SERVICES

The auditor's independence declaration under section 307C of the Corporations Act 2001 is included on page 12 and forms part of the Westoz Investment Company Limited's report for the year ended 30 June 2009.

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

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

PETER DIAMOND
Non Executive Chairman
Dated: 4 August 2009
Perth, Western Australia



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Auditor's Independence Declaration to the Directors of Westoz Investment Company Limited

In relation to our audit of the financial report of Westoz Investment Company Limited for the financial year ended 30 June 2009, 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
4 August 2009

**INCOME STATEMENT
FOR THE YEAR ENDED 30 June 2009**

	Note	30/06/09 \$	30/06/08 \$
Revenue			
Interest revenue		1,747,856	1,661,852
Dividend revenue		3,229,125	2,823,025
Other revenue		150,885	-
Total revenue		5,127,866	4,484,877
Changes in the fair value of investments designated at fair value through profit or loss	4	(93,293,687)	111,006,478
		(88,165,821)	115,491,355
EXPENSES			
Managers fees		1,525,975	22,738,480
Director fees		55,000	44,000
Professional fees		13,718	105,428
Other expenses	5	19,864	128,732
Total expenses		1,614,557	23,016,640
PROFIT/(LOSS) BEFORE INCOME TAX EXPENSE		(89,780,378)	92,474,715
Income tax (credit)/expense	6	(27,313,115)	27,256,967
NET PROFIT/(LOSS) ATTRIBUTABLE TO MEMBERS OF THE COMPANY		(62,467,263)	65,217,748
(Loss)/earnings per share (cents)			
- Basic	14	(51.1)	62.1
- Diluted	14	(51.1)	62.1
Dividend per share (cents)	7	nil	10.0

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

**BALANCE SHEET
AS AT 30 June 2009**

	Note	30/06/2009 \$	30/06/2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	17 (a)	46,729,750	19,053,437
Investments in financial assets designated at fair value through profit or loss:			
- Listed Equities and Managed Investment Schemes		110,408,186	240,559,979
Other Current Assets	8	771,874	1,702,892
TOTAL CURRENT ASSETS		<u>157,909,810</u>	<u>261,316,308</u>
TOTAL ASSETS		<u>157,909,810</u>	<u>261,316,308</u>
CURRENT LIABILITIES			
Trade and Other Payables	9	701,576	436,158
Income Tax Payable		488,898	6,060,865
Dividend Payable	7	-	11,983,957
TOTAL CURRENT LIABILITIES		<u>1,190,474</u>	<u>18,480,980</u>
NON -CURRENT LIABILITIES			
Deferred Tax Liabilities	6	4,448,790	32,338,194
TOTAL NON-CURRENT LIABILITIES		<u>4,448,790</u>	<u>32,338,194</u>
TOTAL LIABILITIES		<u>5,639,264</u>	<u>50,819,174</u>
NET ASSETS		<u>152,270,546</u>	<u>210,497,134</u>
EQUITY			
Contributed Equity	10	132,153,168	127,912,493
Retained Earnings		20,117,378	82,584,641
TOTAL EQUITY		<u>152,270,546</u>	<u>210,497,134</u>

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

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 June 2009**

	Note	30/06/2009 \$	30/06/2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Interest received		1,747,856	1,673,852
Dividends received		3,349,125	2,790,525
Payments to suppliers and employees		(250,822)	(23,688,776)
Income tax paid		(6,148,256)	(900,055)
Other		-	(5,000)
NET CASH FLOWS USED IN OPERATING ACTIVITIES	17	<u>(1,302,097)</u>	<u>(20,129,454)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments designated as at fair value through profit or loss		68,631,354	166,503,195
Payments for purchases of investments designated as at fair value through profit or loss		(31,909,662)	(164,192,467)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>36,721,692</u>	<u>2,310,728</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of ordinary shares		-	18,457,091
Dividends paid		(7,743,282)	(2,352,320)
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		<u>(7,743,282)</u>	<u>16,104,771</u>
NET INCREASE/(DECREASE) IN CASH HELD		27,676,313	(1,713,955)
Cash and cash equivalents at the beginning of the period		<u>19,053,437</u>	<u>20,767,392</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	17	<u><u>46,729,750</u></u>	<u><u>19,053,437</u></u>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 June 2009**

	Contributed Equity	Retained Earnings	Total Equity
	\$	\$	\$
At 1 July 2008	127,912,493	82,584,641	210,497,134
Profit for the period	-	(62,467,263)	(62,467,263)
Total income and expense for the period	-	(62,467,263)	(62,467,263)
Issue of Share Capital	4,240,675	-	4,240,675
Dividend for the Year	-	-	-
At 30 June 2009	132,153,168	20,117,378	152,270,546

	Contributed Equity	Retained Earnings	Total Equity
	\$	\$	\$
At 1 July 2007	106,694,077	29,351,138	136,045,215
Profit for the period	-	65,217,748	65,217,748
Total income and expense for the period	-	65,217,748	65,217,748
Issue of Share Capital	21,218,416	-	21,218,416
Dividend for the Year	-	(11,984,245)	(11,984,245)
At 30 June 2008	127,912,493	82,584,641	210,497,134

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 2009

1. CORPORATE INFORMATION

The financial report of Westoz Investment Company Limited for the year ended 30 June 2009 was authorised for issue in accordance with a resolution of the Directors on 4 August 2009.

Westoz Investment Company 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.

Westoz Investment Company Limited does not control any entities at 30 June 2009.

The company had no paid employees as at 30 June 2009.

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 year ended 30 June 2009 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 2009. 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.	The company is in the process to determine the extent of the impact of the amendments, if any.	1 July 2009
AASB 123 (Revised) and AASB 2007-6	Borrowing Costs and consequential amendments to other Australian Accounting Standards	The amendments to AASB 123 require that all borrowing costs associated with a qualifying asset be capitalised.	The company is in the process to determine the extent of the impact of the amendments, if any.	1 July 2009

Reference	Title	Summary	Impact on Company's financial report	Application date for Company
AASB 101 (Revised), AASB 2007-8 and AASB 2007-10	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.	The company is in the process to determine the extent of the impact of the amendments, if any.	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 is in the process to determine the extent of the impact of the amendments, if any.	1 July 2009
AASB 2008-5 and AASB 2008-6	Amendments to Australian Accounting Standards arising from the Annual Improvements Project	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 1 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 company is in the process to determine the extent of the impact of the amendments, if any.	1 July 2009
AASB 2009-2	Amendments to Australian Accounting Standards – Improving Disclosures about Financial Instruments (AASB 4, AASB 7, AASB 1023 & AASB 1038).	The amended IFRS 7 requires fair value measurements to be disclosed by the source of inputs, using the following three-level hierarchy: - Quoted prices in active markets for identical assets or liabilities (Level 1) - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2) - Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)	The company is in the process to determine the extent of the impact of the amendments, if any.	1 July 2009
AASB 2009-4, 2009-5, 2009-6 and 2009-7	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	Amendments to some standards result in accounting changes for presentation, recognition or measurement purposes. While some amendments that relate to terminology and editorial changes are expected to have no or minimal effect on accounting.	The company is in the process to determine the extent of the impact of the amendments, if any.	1 July 2010

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. All financial assets designated as fair value through profit or loss are equity investments 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 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 balance sheet date, without any deduction for transaction costs.

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.

Changes in the fair value of investments are 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.

(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 has transferred substantially all the risks and rewards of the asset, or 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 - 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 future goods and services received, whether or not billed to the entity. 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 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.

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.

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

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; 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 recognized and carried at original amount less any allowance 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.

(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.

(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.

	30/06/09 \$	30/06/08 \$
4. CHANGES IN FAIR VALUE OF INVESTMENTS		
Net realised gain/(loss) – listed equities and managed investment schemes	(4,233,101)	41,417,681
Net unrealised gain/(loss) – listed equities and managed investment schemes	(89,060,586)	69,588,797
	<u>(93,293,687)</u>	<u>111,006,478</u>

The total number of contract notes that were issued for transactions during the financial year was 326 (2008: 772). The total brokerage paid on these contract notes was \$268,283 (2008: \$1,081,096).

5. OTHER EXPENSES

Expenses		
Annual report costs	-	(30,987)
Share registry	(16,422)	(15,808)
Charitable donation	-	(50,000)
Other	(3,442)	(31,937)
	<u>(19,684)</u>	<u>(128,732)</u>

6. INCOME TAX

The major components of income tax expense are:

Income Statement

Current Income Tax

Current income tax charge (benefit)	576,289	6,380,328
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Deferred income tax

Relating to origination and reversal of temporary differences

	<u>(27,889,404)</u>	<u>20,876,639</u>
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Income tax expense reported in income statement

	<u>(27,313,115)</u>	<u>27,256,967</u>
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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	(89,780,378)	92,474,715
Tax at the statutory income tax rate of 30% (2008: 30%)	(26,934,113)	27,742,414
Adjustment for permanent differences	(379,002)	(485,447)
Income tax expense	<u>(27,313,115)</u>	<u>27,256,967</u>

6. INCOME TAX (cont.)**Deferred Income tax**

Deferred income tax at 30 June relates to the following:

	Balance Sheet		Income Statement	
	2009	2008	2009	2008
<i>Deferred Tax Assets</i>	\$	\$	\$	\$
Tax losses	1,171,254	-	(1,171,254)	-
	<u>1,171,254</u>	<u>-</u>	<u>(1,171,254)</u>	<u>-</u>
Deferred Tax Liabilities				
Unrealised gain on investments in financial assets	(5,620,044)	(32,338,194)	(26,718,150)	(20,876,639)
	<u>(5,620,044)</u>	<u>(32,338,194)</u>	<u>(26,718,150)</u>	<u>(20,876,639)</u>
	(4,448,790)	(32,338,194)	(27,889,404)	(20,876,639)

7. DIVIDENDS PAID OR PROVIDED FOR ON ORDINARY SHARES

	30/06/09	30/06/08
	\$	\$
Ordinary Shares		
No Final dividend declared and provided for at 30 June 2009 (2008 – 10 cents per share per fully paid ordinary share) Fully franked based on tax paid or payable @ 30%	-	11,983,957
Under provision of 30 June 2007 dividend paid in 30 June 2008 financial year Fully franked based on tax paid or payable @ 30%	-	288
	<u>-</u>	<u>11,984,245</u>
Franking Credit Balance		
Franking credits available at the end of the financial year at 30% (2008 – 30%)	3,708,579	2,120,779
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	488,898	6,380,328
Franking debits that will arise by the payment of dividends as at the end of the financial year	-	(5,135,982)
	<u>4,197,477</u>	<u>3,365,125</u>
8. OTHER CURRENT ASSETS		
Dividend Receivable	-	120,000
Share subscription receivable	-	15,080
Outstanding sale settlements	647,290	-
GST Receivable	124,584	1,567,812
	<u>771,874</u>	<u>1,702,892</u>

Note (a): GST Receivable is non-interest bearing and is generally claimed from the Australian Tax Office on a quarterly basis.

	30/06/09 \$	30/06/08 \$
9. TRADE AND OTHER PAYABLES (CURRENT)		
Trade Payables	190,700	300,231
Outstanding purchase settlements	510,876	-
Refund of excess funds from option exercise	-	58,420
Other Payables	-	77,507
	701,576	436,158
	701,576	436,158

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

10. CONTRIBUTED EQUITY

(a) Contributed equity

122,724,384 fully paid ordinary shares (2008: 119,839,571 fully paid ordinary shares)

132,153,168

127,912,493

(b) Movements in ordinary shares on Issue

	Number of Shares	\$	Number of Shares	\$
Beginning of the financial period	119,839,571	127,912,493	102,267,134	106,694,077
Issued during the period				
- Dividend reinvestment plan (i)	2,884,813	4,240,675	2,191,528	2,761,325
- Placements	-	-	4,014	4,817
- Option exercise	-	-	15,376,895	18,452,274
Less issue costs	-	-	-	-
	122,724,384	132,153,168	119,839,571	127,912,493
	122,724,384	132,153,168	119,839,571	127,912,493

- (i) Shares were issued pursuant to a dividend reinvestment plan at a price of \$1.47 per share (2008: \$1.26 per share).

(c) Terms and conditions of contributed equity

The Company does not have 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) Options

At balance date there were 693,810 unissued shares in respect of which options were outstanding. The options have an exercise price of \$1.20 per share and expire on 30 June 2010.

	30/06/09	30/06/08
	\$	\$

(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. Details of the Company's financial risk management policies and objectives are included in note 18.

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

The company's total capital at 30 June 2009 was \$152,270,546 (2008: \$210,497,134) 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	44,290	48,718
- services in relation to tax compliance for the company	16,068	17,134
	60,358	65,852
	60,358	65,852

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 Budge is the only paid Director of the Company. The total remuneration payable for the financial period is \$55,000 (2008: \$44,000).

(b) Transactions with Directors or Director Related Entities

The Directors of Westoz Investment Company Limited during the period were Mr Peter Diamond, Mr Philip Rees, Mr Jay Hughes and Mr Terry Budge.

Westoz Investment 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 Westoz Investment Company 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 for 2008) of \$1,525,975 (2008: \$22,738,480) was charged in the period for these services. There is \$130,929 outstanding as at 30 June 2009 (2008: nil).

(b) Transactions with Directors or Director Related Entities (cont.)

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 10% 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 Westoz Investment Company Limited directly to the Directors of Westoz Funds Management Pty Ltd.

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 \$239,286 was paid in the period (2008: \$969,524) as brokerage to Euroz Securities Limited. There is no balance outstanding as at 30 June 2009 (2008: nil).

The above transactions were entered into on normal commercial terms.

(c) Shareholdings of Key Management Personnel

As at 30 June 2009	Balance 1 July 2008		Option Exercise		Net Change Other		Balance 30 June 2009	
Director	Shares	Options	Shares	Options	Shares	Options	Shares	Options
Peter Diamond								
Held Directly or indirectly	201,236	-	-	-	-	-	201,236	-
Philip Rees								
Held Directly or indirectly	220,929	-	-	-	-	-	220,929	-
Jay Hughes								
Held Directly or indirectly	398,206	-	-	-	-	-	398,206	-
Terry Budge								
Held Directly or indirectly	146,912	-	-	-	9,995	-	156,907	-
Westoz Funds Management Pty Ltd								
Held Directly or indirectly	-	-	-	-	-	-	-	-

As at 30 June 2008	Balance 1 July 2007		Option Exercise		Net Change Other		Balance 30 June 2008	
Director	Shares	Options	Shares	Options	Shares	Options	Shares	Options
Peter Diamond								
Held Directly or indirectly	150,000	45,283	45,283	(45,283)	5,953	-	201,236	-
Philip Rees								
Held Directly or indirectly	159,655	54,938	54,938	(54,938)	6,336	-	220,929	-
Jay Hughes								
Held Directly or indirectly	330,000	68,206	68,206	(68,206)	-	-	398,206	-
Terry Budge								
Held Directly or indirectly	136,972	4,503	4,503	(4,503)	5,437	-	146,912	-
Westoz Funds Management Pty Ltd								
Held Directly or indirectly	-	-	-	-	-	-	-	-

13. RELATED PARTY DISCLOSURES

(a) *Ultimate Parent*

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

Diluted earnings/(loss) per share amounts are calculated by dividing the net profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

	30/06/09	30/06/08
	\$	\$
Net profit/(loss) attributable to ordinary equity holders of the company used in calculating basic earnings per share and diluted earnings per share	(62,467,263)	65,217,748
Weighted average number of ordinary shares on issue used in the calculation of basic earnings per share	122,305,493	104,950,186
Effect of dilution: Share options	-	36,749
Weighted average number of ordinary shares on issue used in the calculation of diluted earnings per share	122,305,493	104,986,935
Basic earnings/(loss) per share (cents)	(51.1)	62.1
Diluted earnings/(loss) per share (cents)	(51.1)	62.1

There is no impact on the total number of potential ordinary shares of 693,810 options outstanding at 30 June 2009 (2008: 693,810 options) on the loss per share calculation. These options could potentially dilute basic EPS in the future.

15. EVENTS SUBSEQUENT TO BALANCE DATE

No matters or events have occurred subsequent to 30 June 2009 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 composed of the following:

	30/06/09 \$	30/06/08 \$
Cash at Bank and in hand	46,729,750	19,053,437
Bank Bills	-	-
	46,729,750	19,053,437

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 \$46,729,750 (2008: \$19,053,437).

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

Net profit / (loss) after tax	(62,467,263)	65,217,748
Adjustment for Non-Cash Items:		
Items classified as Investing		
Unrealised (profit)/loss on shares	89,060,586	(69,588,797)
Realised (profit)/loss on shares	4,233,101	(41,417,681)
Changes in Assets and Liabilities:		
Increase/(Decrease) in trade and other payables	(245,458)	250,158
(Increase)/Decrease in other assets	1,578,308	(947,794)
Increase/(Decrease) in tax payable	(5,571,967)	5,480,273
Increase/(Decrease) in deferred tax liabilities	(27,889,404)	20,876,639
Net Cash used in Operating Activities	(1,302,097)	(20,129,454)

(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 2009.

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.

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 2009, 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 2009.

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

The equity portfolio position as at 30 June 2009 is as follows:

Industrials	Number of Shares	Fair value at 30 June 2009	Resources	Number of Shares	Fair value at 30 June 2009
Automotive Holdings Group Limited	6,912,690	9,882,272	Coal of Africa Limited	4,954,414	7,927,062
Amcom Telecommunications Limited	10,573,036	1,585,955	Indophil Resources NL	7,500,157	3,450,072
Brandrill Limited	18,047,000	812,115	Medusa Mining Limited	1,293,125	2,870,738
Clough Limited	32,520,498	23,089,554	Northern Iron Limited	5,946,872	7,790,402
iiNet Limited	4,914,148	8,501,476	OM Holdings Limited	24,247,690	33,219,335
Neptune Marine Services Limited	8,281,000	4,471,740	Sphere Investments Limited	3,019,790	2,159,150
		48,343,112	Straits Resources Limited	2,213,494	4,648,315
			Cash		62,065,074
					46,707,628
					157,115,837

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. The total cash balance at 30 June 2009 was \$46,729,750 (2008: \$19,053,437). 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 2009, 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 and management's judgement on future trends. The analysis is performed on the same basis for 2008.

Change in Basis Points		2009		2009	
		Effect on Post Tax Profit (\$)		Effect on Equity including retained earnings (\$)	
Increase	Decrease	Increase	Decrease	Increase	Decrease
50	50	163,450	(163,450)	(163,450)	(163,450)

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	66,887	(66,887)	66,887	(66,887)

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 and assuming the Company's equity portfolio moves in direct concert with the equity indices, 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 2008.

Index	Change in Index	2009	2009
		Effect post tax profit (\$)	Effect on Equity including retained earnings (\$)
ASX Small Ordinaries Index	Down 10%	(7,728,000)	(7,728,000)

Index	Change in Index	2008	2008
		Effect post tax profit (\$)	Effect on Equity including retained earnings (\$)
ASX Small Ordinaries Index	Down 10%	(16,839,199)	(16,839,199)

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Westoz Investment Company 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 2009 and of its performance for the year ended on 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 2009.

On behalf of the Board

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

Peter Diamond
Non Executive Chairman
Dated: 4 August 2009



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Independent auditor's report to the members of Westoz Investment Company Limited

Report on the Financial Report

We have audited the accompanying financial report of Westoz Investment Company Limited, which comprises the balance sheet as at 30 June 2009, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, 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:

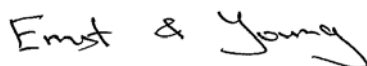
1. the financial report of Westoz Investment Company Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position of Westoz Investment Company Limited at 30 June 2009 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.
2. the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Report on the Remuneration Report

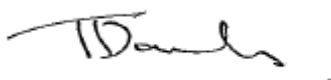
We have audited the Remuneration Report included in paragraph 13 of the directors' report for the year ended 30 June 2009. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility 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 Westoz Investment Company Limited for the year ended 30 June 2009, complies with section 300A of the *Corporations Act 2001*.



Ernst & Young



T G Dachs
Partner
Perth
4 August 2009

STATEMENT OF CORPORATE GOVERNANCE PRACTICES FOR THE YEAR ENDED 30 June 2009

Westoz Investment Company Limited (the “**Company**”) is committed to maintaining a high standard of corporate governance. In this regard, the Company has adopted the ASX Corporate Governance Council’s revised Corporate Governance Principles and Recommendations (“**Revised Principles and 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>.

Recommendation	Section
Recommendation 1.1 Functions of the Board and Management	1.1
Recommendation 1.2 Performance Evaluation	1.2
Recommendation 1.3 Reporting on Principle 1	1.1 and 1.2
Recommendation 2.1 Independent Directors	2.1
Recommendation 2.2 Independent Chairman	2.2
Recommendation 2.3 Chairman and CEO separate	2.3
Recommendation 2.4 Establishment of Nomination Committee	2.4
Recommendation 2.5 Basis of Performance Evaluation	2.5
Recommendation 2.6 Reporting on Principle 2	2.1 to 2.5
Recommendation 3.1 Directors’ and Key Executives’ Code of Conduct	3.1
Recommendation 3.2 Company Securities Trading Policy	3.2
Recommendation 3.3 Reporting on Principle 3	3.1 and 3.2
Recommendation 4.1 Establishment of Audit Committee	4.1
Recommendation 4.2 Structure of Audit Committee	4.2
Recommendation 4.3 Audit Committee Charter	4.3
Recommendation 4.4 Reporting on Principle 4	4.1 to 4.3
Recommendation 5.1 Policy for Compliance with Continuous Disclosure	5.1
Recommendation 5.2 Reporting on Principle 5	5.1
Recommendation 6.1 Communications Strategy	6.1
Recommendation 6.2 Reporting on Principle 6	6.1
Recommendation 7.1 Policies on Risk Oversight and Management	7.1
Recommendation 7.2 Attestations by Management	7.2
Recommendation 7.3 Attestations by CEO or CFO	7.3
Recommendation 7.4 Reporting on Principle 7	7.1 to 7.3
Recommendation 8.1 Establishment of Remuneration Committee	8.1
Recommendation 8.2 Executive and Non-Executive Director Remuneration	8.2
Recommendation 8.3 Reporting on Principle 8	8.1 and 8.2

STATEMENT OF CORPORATE GOVERNANCE PRACTICES (CONT'D)

FOR THE YEAR ENDED 30 June 2009

1. Management and Oversight

1.1 Functions of the Board and Management

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 Executive Officers in the performance of their roles.

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.

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 the Company's website.

The Directors due to their extensive relevant business experience and the fact that their interests are closely aligned to shareholders' interests clearly understand what is required of them. Accordingly, the Company has formed the

view that letters of appointment are not required with respect to the Directors.

1.2 Performance Evaluation

The performance of senior executives is reviewed by the Board on an annual basis and also pursuant to the Board's involvement in the day to day operations of the Company. The performance of Executive Officers is assessed against 3 broad criteria:

- the financial performance of the Company;
- the extent to which the Executive Officer has contributed to the Company achieving its organisational aims with a particular focus on the maintenance of the commercial reputation of the Company; and
- the extent to which the Executive Officer has personally acted in a manner which is in accordance with the Company's compliance related policies and procedures.

Similarly in the context of the matters referred to above, with respect to Executive Officers, The Company has formed the view that written position statements are not required.

2. Board Structure

2.1: Independent Directors.

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 in the Directors Report 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. The Company believes that due to the nature of its operations and size, the current structure is appropriate.

2.2: The Chair should be an Independent Director.

The Chairman is not an Independent Director. The Company believes that due to the nature of its operations and size, the current structure is appropriate.

2.3: The roles of Chair and Chief Executive Officer should not be exercised by the same individual

The Company meets this recommendation.

2.4: The Board should establish a nomination committee

Given its relatively small size and stable structure, the Company has formed the view that a nomination committee is not necessary for the Company to achieve an effective system of corporate governance and the duties normally associated with this committee are carried out by the Board.

2.5: Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors

A review of the performance of the Board and its directors is undertaken by each Director with respect to each other Director and the performance of the Board itself on an annual basis and also as part of the regular monitoring of the operations of the Company.

The performance of the Board, its Committee's and Directors is assessed against 3 broad criteria:

- the overall financial performance of the Company;
- the extent to which the party has contributed to the Company achieving its organisational aims; and
- the extent to which the party has personally acted in a manner which is in accordance with the Company's policies and procedures.

The Directors have extensive experience with respect to all aspects of the operations of the Company. In this regard, the section "Information on Directors" in the Directors Report outlines the experience and qualifications of the Directors. The Directors, pursuant to obligations imposed by the Corporations Act and the ASX Operating Rules and generally, undertake a substantial level of continuing education.

As per the process stated in this section, both Annual and Periodic performance evaluations of the Board and its Directors have been conducted during the reporting period.

3 Ethical and Responsible Decision Making**3.1. 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.

3.2 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 on its website;
- the release by the Company of its half-yearly results on its website; and
- the release by the Company of its annual results on its website.

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.

4. Financial Reporting**4.1 Audit Committee**

The Audit Committee was formed by resolution of the Board.

4.2 Structure

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 Budge, Mr Diamond and Mr Hughes. All members can read and understand financial statements and are otherwise financially literate. Mr. Budge is the Chairman with experience in financial and accounting matters. The details of the member's qualifications may be found in the Directors Report.

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 3 meetings throughout the year and all members attended.

4.3 Charter

The Audit Committee has a formal charter.

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

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.

5 Disclosure

5.1 Policy

The Board of the Company has in place a policy for disclosure of information, which includes a requirement that shareholders are fully informed to the extent required by any applicable disclosure rules and legislation on matters that may influence the price at which shares change hands in the Company.

The Company Secretary has been appointed as the person responsible for communications with the Australian Securities Exchange. This role includes responsibility for ensuring compliance with the continuous disclosure requirements of the ASX Listing Rules and overseeing and co-ordinating information disclosure to the ASX, analysts, brokers, shareholders, the media and the public.

6 Shareholder Communication

6.1 Communication Strategy

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 the ASX announcements platform, 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.

7 Risk

7.1 Policies

The Board determines the Company's "risk profile" and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control.

The Board has delegated to the Audit Committee responsibility for implementing the risk management system.

The Audit Committee will submit particular matters to the Board for its approval or review. Among other things it will:

- oversee the Company's risk management systems, practices and procedures to ensure effective risk identification and management and compliance with internal guidelines and external requirements;
- assist management to determine the key risks to the businesses and prioritise work to manage those risks; and
- review reports by management on the efficiency and effectiveness of risk management and associated internal compliance and control procedures.

The Company's process of risk management and internal compliance and control includes:

- identifying and measuring risks that might impact upon the achievement of the Company's goals and objectives, and monitoring the environment for emerging factors and trends that affect these risks.
- Formulating risk management strategies to manage identified risks, and designing and implementing appropriate risk management policies and internal controls.
- Monitoring the performance of, and improving the effectiveness of, risk management systems and internal compliance and controls, including regular assessment of the effectiveness of risk management and internal compliance and control.

To this end, practises are in place that are directed towards achieving the following objectives:

- compliance with applicable laws and regulations.
- preparation of reliable published financial information.
- implementation of risk transfer strategies where appropriate e.g. insurance.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management. Management is required to assess risk management and associated internal compliance and control procedures and report back as required to the Audit Committee.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

The relevant policies and procedures are available on the Company's website.

7.2: Attestation by Management.

The Board believes that due to the nature and size of the Company's operations, a dedicated internal audit function is not appropriate and these duties can be carried out by the Company Secretary. The Company Secretary will at least annually attest to the effectiveness of the Company's management of its material business risks and will provide assurance that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operation effectively in

all material aspects in relation to financial reporting risks.

The Company believes that due to the nature of its operations and size, it is not necessary for the Board to convene a separate risk management committee and the duties normally undertaken by such a committee are undertaken by the Audit Committee.

7.3: Attestation by Executive.

The Board confirms that it has received the reports as stated in section 7.2 above in respect of the most recently completed financial year.

8 Remuneration Committee

As the whole Board only consists of four members which includes 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.

8.1 Executive Officer Remuneration Policy

The Company is committed to remunerating its Executive Officers, 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.

8.2 Non Executive Officer 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. No retirement benefits are required to be paid by the Company to Non executive Directors.

At the present time, Mr Budge is the only Non-Executive Director being remunerated.

SHAREHOLDER INFORMATION**ORDINARY SHARES AT 21 JULY 2009****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	-	-	20	79,402
5,001-10,000	22	149,453	11	86,156
10,001-100,000	579	24,270,110	17	528,252
100,001 and over	166	98,304,821	-	-
TOTAL Holders	767	122,724,384	48	693,810

B) TOP TWENTY SHAREHOLDERS

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

No	Shareholder	Shares	%
1	Zero Nominees Pty Ltd	31,156,905	25.4%
2	Wyllie Group Pty Ltd	6,480,268	5.3%
3	Ice Cold Investments Pty Ltd	4,069,757	3.3%
4	Yandal Investments Pty Ltd	3,500,000	2.9%
5	Mr Geoffrey Francis Brown	2,811,108	2.3%
7	Heys Family Holdings Pty Ltd	2,349,051	1.7%
6	Australian Executor Trustees Ltd	2,137,400	1.9%
8	Thorney Pty Ltd	2,000,000	1.6%
9	Ansbacher Trustees (Jersey) Ltd	1,619,027	1.3%
10	Rollason Pty Ltd	1,619,027	1.3%
11	Cybertop Pty Ltd	1,452,833	1.2%
12	Mr Robert Louis Hansen & Dr Annabelle Farnsworth	1,293,640	1.1%
13	Sdc Pty Ltd	969,699	0.8%
14	Superland Investments Pty Ltd	930,942	0.8%
15	Clough Superannuation Pty Ltd	838,300	0.7%
16	The Fogarty Foundation	700,000	0.6%
17	Mr Nicholas Harry Wright	700,000	0.6%
18	Gjp Investments Pty Ltd	663,966	0.5%
19	Palazzo Nominees Pty Ltd	647,613	0.5%
20	Tanglo Holdings Pty Ltd	639,552	0.5%
	Total	66,579,088	54.3%
	Remainder	56,145,296	45.7%
	Grand Total	122,724,384	100.0%

The twenty largest holders of options are listed below:

No	Shareholder	Shares	%
1	Warrambo Holdings Pty Ltd	100,000	14.4%
2	Wythenshawe Pty Ltd	100,000	14.4%
3	Daleglen Holdings Pty Ltd	60,000	8.6%
4	Cyncoed Holdings Pty Ltd	41,887	6.0%
5	Arniston & Associates Pty Ltd	25,000	3.6%
7	Dixon Brook Holdings	20,944	3.0%
6	Mrs Julie Teraci	20,000	2.9%
8	Health Solutions (Wa) Pty Ltd	20,000	2.9%
9	Sce Superannuation Pty Ltd	20,000	2.9%
10	Silverlake Nominees Pty Ltd	20,000	2.9%
11	Tejiman Holdings Pty Ltd	19,373	2.8%
12	Elita Pty Ltd	18,584	2.7%
13	Maxim Super Fund Pty Ltd	16,000	2.3%
14	Mrs Barbara Ruth Adrian & Ms Julia Katherine Adrian	15,048	2.2%
15	Mr John Alan Emerson & Mrs June Emerson	10,472	1.5%
16	Berndt Nominees Pty Ltd	10,472	1.5%
17	Mrs Susanna Swinney	10,472	1.5%
18	Mcmullen Geological Services Pty Ltd	10,000	1.4%
19	Mila Pty Ltd	9,688	1.4%
20	Mr Anthony David Hewett	9,528	1.4%
	Total	557,468	80.3%
	Remainder	136,342	19.7%
	Grand Total	693,810	100.0%

C) SHAREHOLDERS WITH GREATER THAN 5%

As at 21 July 2009, the company had three shareholders with greater than 5% of the issued ordinary share capital:

Shareholder	Shares	%
Euroz Limited	17,579,615	14.3%
Wyllie Group Pty Ltd	6,480,268	5.3%
Geoff Brown	6,880,865	5.6%