



FOX  **INVEST**TM
LIMITED
ACN 108 069 003

2009
ANNUAL
REPORT

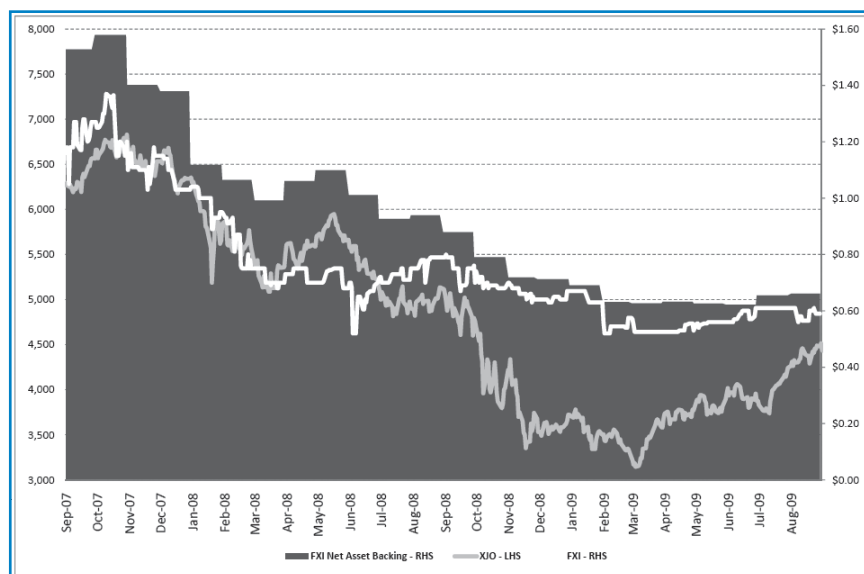
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Dear Investor

In a time where the world fell apart, when countries went bankrupt, financial disaster wreaked havoc upon large and small, when worldwide brands disappeared overnight and mighty governments scratched their heads wondering what to do it's hard for an investment company that invests in shares to outperform and yet outperform we did.

Even though the overall result was a loss the company's portfolio and NTA outperformed our benchmark. It is important to remember that Fox Invest buys shares and we have, in the last financial year, suffered from one of the biggest crashes in history. Our portfolio has performed relatively well compared to the market and has started its road to recovery as the following chart reflects.



As an investment it also compares well to many other sectors in the market.

The buy write strategy has started to generate good cash returns on a monthly basis and although we do miss out on some capital gain we look forward to the time we can recommence our dividends to you. Our Managed Fund investments have also performed well relative to their bench marks.

Shareholders are never happy when a board reports losses instead of profits but we can assure you we did everything we could to manage the portfolio prudently and professionally to see us through those awful times which we hope are now well behind us.

The Board was also stunned by a far greater tragedy – the loss of our Chairman, John Fries. John was a great contributor and we will all miss him. He was working with the board on a plan to transform the company and despite his untimely passing the current board are continuing his work.

We are looking forward to a much better year this year with positive returns and exciting new plans.

Thank you for your ongoing support.

Sincerely,

Peter Spann
Managing Director

Michael Willis
Chairman

DIRECTORS' REPORT

Your directors present their report on the company for the financial year ended 30 June 2009.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

- Peter John Spann
- John James Fries (Resigned 4/08/09)
- Michael Willis (Appointed 9/10/08)
- Howard Graham Woolcott (Resigned 26/11/08) (Appointed 10/08/09)

The Board acknowledges the significant contribution former Chairman Mr John Fries made to the Company and were saddened by his untimely passing in August this year.

COMPANY SECRETARIES

The names of company secretaries as at the end of the year are:

PETER SPANN

COMPANY SECRETARY

Peter is the founder of the Freeman Fox group of companies and is a well-known public speaker and presenter of investment seminars. Peter has had a wealth of experience in business development over the past fifteen years, and has served on the boards and or advised a number of private and public entities.

CRAIG BURBURY

COMPANY SECRETARY

Craig has a commerce degree from The University of Tasmania and is also a Certified Practising Accountant. His career has included positions with Price Waterhouse in small business advisory and taxation services.

Craig has held senior accounting positions with listed financial services company Australian Wealth Management Ltd. He has been working with the Freeman Fox Group of companies for the past two and a half years and is the Group's Financial Controller.

PRINCIPAL ACTIVITIES

The principal activities of the company during the financial year were the investment in a blend of equity portfolios.

REVIEW AND RESULTS OF OPERATIONS

The net profit/(loss) for the company for the year ended 30 June 2009 after providing for income tax amounted to \$(7,180,041) (2008: \$(4,546,361)).

Whilst the overall position of the Company for the year was a loss, this was mostly attributable to market conditions, with the Company's investment portfolio continuing to outperform its benchmarks, as reported monthly in the net tangible asset announcements.

The portfolio is expected to recover in line with more recent market movements.

At the 30 June 2009 the company had established a diversified investment portfolio in accordance with the company's investment mandate. The composition of the portfolio at 30 June 2009 was:

	Mandate	30 June 2009	30 June 2008
Growth shares	up to 80%	52%	53%
Income shares	up to 80%	39%	44%
Cash	up to 40%	9%	3%

Net Tangible Assets per Share (NTA)

At 30 June 2009 the NTA after tax was \$0.61 per share (2008: \$0.98 per share)

DIVIDENDS PAID OR RECOMMENDED

No dividend has been paid or declared since the start of the financial year.

FINANCIAL POSITION

Net assets of the company are \$10,476,330 as at 30 June 2009 compared to \$19,236,176 at 30 June 2008. This \$8,759,846 decrease is in part a reflection of the year's operating result as well as the continued operation of the share buy-back.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

No significant events have occurred since balance date which would impact upon the financial position of the Company as at 30 June 2009.

AFTER BALANCE DATE EVENTS

Subsequent to year end the company has continued with the on market share buy-back. Since year end an additional 614,793 shares have been purchased under the buy-back plan.

As announced to the market on 14 September 2009 the unaudited net tangible asset backing at 31 August 2009 was \$0.6612, this having increased from the net tangible asset backing at 30 June 2009 of \$0.6077.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Disclosure of other information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

ENVIRONMENTAL ISSUES

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

INFORMATION ON DIRECTORS

PETER JOHN SPANN - MANAGING DIRECTOR, PORTFOLIO MANAGER



Peter is the founder and CEO of financial services firm Freeman Fox which was established in 1987 and listed in BRW as the 41st fastest growing privately owned company in Australia in 2008.

He is listed in "Who's Who" Queensland Edition, and his charity, Fox Smile helps underprivileged children with health and education.

Peter serves as Chief Investment Officer and Fund manager for three managed funds, Generator, Maximiser and Emergent.

Peter is currently a director of the following listed public companies:

- Property Fox No.1 Ltd (listed on the NSX)
- Property Fox No.2 Ltd (listed on the NSX)

MICHAEL WILLIS - NON EXECUTIVE CHAIRMAN



Michael has a background of 25 years in financial markets, having worked in financial derivatives, stockbroking and investment management. He is a former President of the peak industry body, the Securities Institute of Australia, and is a Director of Freeman Fox Limited, the Asian Securities & Investment Federation and Independent Schools Queensland. He currently works in governance and management consulting across a range of areas including education and finance.

Michael holds a Bachelor of Economics and post-graduate qualifications in applied finance. He has lectured in finance and has a particular professional interest in options and financial derivatives.

He has not been on the board of any other listed companies over the past three years.

HOWARD GRAHAM WOOLCOTT – NON-EXECUTIVE DIRECTOR



Howard has an economics degree from The University of Sydney and is a Certified Practising Accountant. He is a member of the Company's Audit & Risk Committee.

He was a founder and past director of listed public company, Tribeca Learning Limited, an industry leader in accredited financial services education, professional development and compliance solutions for the financial planning industry. Tribeca was subsequently bought by Kaplan Professional.

Howard is the Managing Director of Woolcott Corporate Development Pty Ltd, which provides management and strategic advice to businesses

Howard is currently a director of the following listed public companies:

- Property Fox No.1 Ltd (listed on the NSX)
- Property Fox No.2 Ltd (listed on the NSX)

Shareholdings held by Directors

Director	Balance 30-06-08	Received as Remuneration	Options Exercised	Shares Purchased	Balance 30-06-09
Peter Spann*	100	-	-	8,000	8,100
Howard Woolcott**	21,540	-	-	-	21,540
Total	21,640	-	-	8,000	29,640

* Peter Spann indirectly holds 8,100 ordinary shares through Fox Portfolio Pty Ltd

** Howard Woolcott indirectly holds 21,540 ordinary shares through a private superannuation fund

There are no options held by Directors. Peter Spann held 300,000 options which expired 31 December 2008 unexercised.

REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each key management person of Fox Invest Limited.

AASB 124 Related Party Disclosures defines key management personnel as “persons having authority and responsibility for the planning, directing and controlling activities of the entity, directly or indirectly”. The only persons that have this authority are the Directors of Fox Invest Limited.

Remuneration Policy

The board policy is to remunerate directors at market rates for time, commitment, experience and responsibilities. The remuneration committee determines payments to the directors and reviews their remuneration annually, based on market price, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to directors is subject to approval by shareholders at the Annual General Meeting. It is presently set at \$50,000 per annum for the Chairman and \$36,000 for each director

Directors Remuneration

Mr Spann, the Managing Director, does not receive a director's fee. Mr Willis and Mr Woolcott receive monthly directors' fees as disclosed below pursuant to letters of appointment issued by the company. Formal contracts are not issued. The remuneration is a fixed fee and is not based on the performance of the company.

All remuneration paid to directors is valued at the cost to the company and expensed. Shares given to directors are valued as the difference between the market price of those shares and the amount paid by the director. Options are valued using the Black-Scholes methodology.

Key Management Personnel Remuneration

	Director's Fees	Non-Cash Benefits	Superannuation	Total
2009				
Total Compensation	94,821	-	6,706	101,527
2008				
Total Compensation	49,224	3,342	46,635	99,201

2009 Total Compensation	Directors' Fees (\$)	Share-based		Total (\$)
		payment – Options (\$)	Superannuation (\$)	
Peter John Spann	-	-	-	-
John James Fries *	52,473	-	4,500	56,973
Michael Willis	26,288	-	2,206	28,494
Howard Graham Woolcott **	16,060	-	-	16,060
	94,821	-	6,706	101,527

2008 Total Compensation	Directors' Fees (\$)	Share-based		Total (\$)
		payment – Options (\$)	Superannuation (\$)	
Peter John Spann	-	1,688	-	1,688
John James Fries	6,757	-	46,635	53,392
Howard Graham Woolcott ***	16,500	-	-	16,500
Peter John Conway	-	827	-	827
Martin Geoffrey Krawitz	25,967	827	-	26,794
	49,224	3,342	46,635	99,201

* Mr Fries total remuneration is above the stipulated maximum in the Directors' Report due to an accrual adjustment from the prior year.

** Mr Woolcott also received \$7,095 for the provision of company secretarial services.

*** Mr Woolcott also received \$16,800 for the provision of company secretarial services.

Options granted as remuneration

Options may be issued to directors as part of their remuneration. The options are not issued based on performance criteria but are issued to increase goal congruence between directors and shareholders.

No share-based payment arrangements existed at 30 June 2009 - Peter Spann held 300,000 options which expired 31 December 2008 unexercised.

Meetings of Directors

	Directors' Meetings		Audit & Risk Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Peter John Spann	8	8	-	-
John James Fries	8	8	2	2
Michael Willis	4	4	1	1
Howard Graham Woolcott	5	5	1	1

INDEMNIFYING OFFICERS OR AUDITOR

During the year the company provided an indemnity to directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of director of the company, other than conduct involving a wilful breach of duty in relation to the company. The content of the insurance prohibits disclosure of the nature of the liability and the amount of the premium. No indemnity is provided to the auditors.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

NON-AUDIT SERVICES

The board of directors, in accordance with advice from the audit and risk committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit and risk committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees for non-audit services were paid/payable to the external auditors during the year ended 30 June 2009:

Taxation services	\$ 10,269
Due diligence services	\$ 68,538

AUDITORS' INDEPENDENCE DECLARATION

A copy of the independence declaration provided by the company's auditors in accordance with s307c of the Corporations Act 2001 in relation to the audit of the 30 June 2009 financial report is presented on page 16 and forms part of this Director's Report.

Signed in accordance with a resolution of the Board of Directors:



Director

Peter John Spann

Dated this 30th day of September 2009

INVESTMENT PORTFOLIO

LIST OF SHARES HELD AND THEIR MARKET VALUE AT YEAR END

30 June 2009

30 June 2008

	Shares Held	Total Market Value \$	Share Portfolio Weight %	Shares Held	Total Market Value \$	Share Portfolio Weight %
Aevum Limited	-	-		9,802	19,310	0.46%
AMP Limited	-	-		23,425	171,705	4.10%
ANZ Bank Limited	1,042	17,141	0.38%	-	-	
AP Eagers Limited	-	-		9,599	124,883	2.98%
Ausdrill Limited	-	-		15,000	38,400	0.92%
Avoca Resources Limited	-	-		40,000	108,000	2.58%
Beach Petroleum Limited	-	-		20,000	33,400	0.80%
BHP Limited	25,000	866,750	19.06%	-	-	0.00%
Commonwealth Bank Limited	15,000	583,950	12.84%	-	-	
Euroz Limited	-	-		10,000	37,600	0.90%
FKP Property Group	-	-		1,409	6,904	0.16%
Fortescue Metals Group Ltd	-	-		80,000	852,000	20.36%
Gindalbie Metals Ltd	-	-		30,000	48,750	1.16%
Gold (Exchahge Traded)	2,000	227,620	5.01%	-	-	0.00%
Healthscope Limited	-	-		18,921	85,523	2.04%
Hunter Hall International Limited	-	-		5,177	61,606	1.47%
Imdex Limited	-	-		20,000	34,600	0.83%
Kagara Limited	-	-		5,000	24,500	0.59%
Lycopodium Limited	-	-		5,000	19,750	0.47%
Macquarie Countrywide Trust	31,239	16,869	0.37%	31,239	39,049	0.93%
Macquarie Infrastructure Group	-	-		27,500	82,500	1.97%
McPherson's Limited	-	-		10,000	26,200	0.63%
Mincor Resources NL	-	-		10,000	32,000	0.76%
Monadelpous Group Limited	-	-		5,000	65,850	1.57%
National Australia Bank Limited	25,000	561,000	12.34%	-	-	0.00%
Nexus Energy Limited	-	-		20,000	37,200	0.89%
Programmed Maintenance Services Limited	-	-		27,443	132,824	3.17%
Property Fox No.1 Limited	633,000	316,500	6.96%	-	-	0.00%
Property Fox No.2 Limited	30,000	12,833	0.28%	-	-	
QBE Insurance Group Limited	-	-		4,250	107,610	2.57%
Ramsay Health Care Limited	10,631	122,150	2.69%	26,204	285,624	6.82%
Resolute Mining Limited	-	-		54,148	138,077	3.30%
Sims Group Limited	-	-		5,150	191,065	4.56%
Tasmanian Perpetual Trustees Limited	-	-		5,000	26,250	0.63%
Tassal Group Limited	-	-		7,500	23,250	0.56%
Treasury Group Limited	-	-		5,000	56,750	1.36%
United Group Limited	-	-		24,919	329,928	7.88%
Woodside Petroleum Limited	30,000	1,296,000	28.50%	3,000	198,330	4.74%
Woolworths Limited	20,000	527,000	11.59%	-	-	0.00%
Worleyparsons Limited	-	-		20,000	746,000	17.82%
		4,547,813¹	100.00%		4,185,438²	100.00%

INVESTMENT PORTFOLIO

LIST OF INSTALMENT WARRANTS HELD AND THEIR MARKET VALUE AT YEAR END

ASX Code	30 June 2009			30 June 2008		
	Shares Held	Market Value \$	Warrant Portfolio	Shares Held	Total Market Value \$	Warrant Portfolio
BHPIZZ	-	-		41,036	1,000,868	11.99%
BHPSMS	-	-		17,660	677,925	8.12%
BNBIZZ	-	-		5,000	2,425	0.03%
CBAISF	-	-		10,083	143,481	1.72%
CBASMU	-	-		18,000	463,680	5.55%
CSLIOA	-	-		37,687	681,381	8.16%
NABIZR	-	-		110,000	1,348,600	16.15%
NABSMT	-	-		13,730	184,394	2.21%
NABSWA	-	-		23,000	293,940	3.52%
NCMIMF	-	-		23,531	308,727	3.70%
QBEJMC	-	-		10,000	53,741	0.64%
RIOIWG	-	-		8,597	587,433	7.04%
SGBIZQ	-	-		12,007	107,583	1.29%
SGBSMU	-	-		18,000	257,400	3.08%
WBCSMS	-	-		8,770	123,834	1.48%
WBCSZA	-	-		26,000	329,420	3.95%
WESSMU	-	-		14,000	283,920	3.40%
WESSWA	-	-		4,100	111,684	1.34%
WOWSMT	-	-		17,150	330,995	3.96%
WOWSMU	-	-		33,000	572,880	6.86%
WPLIYG	-	-		12,058	484,008	5.80%
Totals:	-	-			8,348,319¹	100.00%

LIST OF MANAGED FUNDS HELD AND THEIR MARKET VALUE AT YEAR END

	30 June 2009	30 June 2008
Maximiser ARSN 130 533 685	\$2,072,764	\$3,000,000
Emergent ARSN 130 533 747	\$2,529,382	\$3,000,000
Totals	\$4,602,146	\$6,000,000

1. Shown in Note 8 as \$4,508,786 after an allowance for brokerage costs had the shares been sold at that date.
2. Shown in Note 8 as \$4,151,955 after an allowance for brokerage costs had the shares been sold at that date.
3. Shown in Note 8 as \$8,281,532 after an allowance for brokerage costs had the instalment warrants been sold at that date.

CORPORATE GOVERNANCE STATEMENT

The Company's corporate governance framework has been formulated in light of the best practice recommendations released by the Australian Stock Exchange Corporate Governance Council in 2007 (ASX Recommendations). The Company's framework largely complies with these recommendations. Consistent with the Company's approach to sound corporate governance, opportunities for improvement are regularly considered.

Day-to-day management of the affairs of the Company and its controlled entities are delegated by the Board to the Managing Director and the staff of Fox Portfolio Pty Limited, with whom it has an Administration Management agreement. The Directors are responsible to shareholders for the performance of the Company and their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Company is properly managed. The main processes that the directors of the Company use in doing so are set out in this statement.

Principle 1:

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Directors must act in the best interest of the Company and in general are responsible for, and have the authority to determine, all matters relating to the policies, management and operations of the Company.

Specific responsibilities of the Board include:

- Protecting the reputation of the Company
- Appointment and removal of the Chief Executive Officer and any senior executives
- Ensuring appropriate resources are available to senior management
- Providing strategic direction for the Company's corporate strategy

The Company's executive management comprises the Chief Executive Officer (Peter Spann) who is also the Managing Director and Craig Burbury who is the Company Secretary.

The objective of the Company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The board ensures that executive reward satisfies the following criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- transparency
- capital management

The remuneration structure for directors, secretaries and any senior managers is based on the following factors:

- experience of the individual concerned
- the overall performance of the market in which the Company operates
- the overall performance of the Company

Performance of senior executives is constantly reviewed by the Board as part of the ordinary course of meetings of the Directors.

There have been no departures from Principle 1 during the year ending 30 June 2009.

Principle 2:

STRUCTURE THE BOARD TO ADD VALUE

- The skills, experience and expertise relevant to the position of director and period of office held by each

director is disclosed within the Directors' Report of the Company's Annual Report.

- Presently the board consists of three directors, one being an executive director and the other two being independent non-executive directors.
- With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the consolidated entity's expense concerning any aspect of the Company's operations or undertaking in order to fulfill their duties and responsibilities as directors.
- The performance of the board is reviewed as part of the ordinary course of meetings of the directors.

There have been the following departures from Principle 2 during the year ending 30 June 2009:

Recommendation 2.4 – The Company does not presently have a nomination committee. Due to the size and nature of the activities of the Company, the nomination of new directors is conducted by the board by way of ongoing review and discussion in relation to experience deficiencies that may exist within the existing board structure.

Principle 3:

PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

As part of the Board's commitment to the highest standard of conduct, the Company adopts a code of conduct to guide management in carrying out their duties and responsibilities as follows.

All directors and consultants of the Company have the following duties:

- To act honestly, fairly and without prejudice in all commercial dealings and to conduct business with professional courtesy and integrity
- To use the powers of their office for a proper purpose and in the best interest of the Company
- To comply with letter and spirit of the law and with the principles of this Code
- Not to knowingly make any misleading statements to any person or to be a party to any improper practice in relation to dealings with or by the Company
- To ensure that the Company's resources and property are used properly and
- Not to disclose information or documents relating to the Company or its business, other than as required by law, not to make any unauthorised public comment on the Company's affairs and not to misuse any information about the Company or its associates.

The board endeavours to ensure that the directors, officers of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

Specifically, that directors and officers must:

- Comply with the law
- Act in the best interests of the Company
- Be responsible and accountable for their actions, and
- Observe the ethical principles of fairness, honesty and truthfulness, including disclosure of potential conflicts.

The Company's policy regarding directors and officers trading in its securities is set by the board of directors. The policy restricts directors and officers from acting on material information until it has been released to the market and adequate time has been given for this to be reflected in the security's prices.

The Company has set the following windows for trading in the Company's securities by the directors and officers, being between one and twenty one days following:

- The release to the National Stock Exchange of the Company's preliminary full year financial statements
- The release to the National Stock Exchange of the Company's half year financial statements
- The date on which the Company holds its annual general meeting

There have been no departures from Principle 3 during the year ending 30 June 2009.

Principle 4:**SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

The Board has established an Audit and Risk Committee “ARC”, which provides assistance to the Board in fulfilling its corporate governance responsibilities in relation to the Company’s financial reporting, internal controls structure, risk management systems and external audit functions.

The Board has adopted a formal Charter for the Committee to assist in carrying out its duties. The members of the ARC are Mr. Michael Willis B.Econ(UQ); Grad. Dip App. Fin (SIA); SF Fin. (Non-executive Chairman) and Mr. Howard Woolcott BEc(Syd); CPA (Non-executive Director).

The ARC met twice during the year.

There has been one departure from Principle 4 during the year ending 30 June 2009:

Recommendation 4.2 – The ARC consists of only two independent directors, not three, due to the small size of the Company. Also, the ARC is presently chaired by the Chairman of the Company. The reason for this is that Michael Willis (Chairman of the ARC) only became Chairman of the Company in August 2009 upon the death of the previous Chairman John Fries and the board considered that in the interests of continuity he should retain the Chair of the ARC until the accounts for 2009 were reviewed by the ARC.

Principle 5:**MAKE TIMELY AND BALANCED DISCLOSURE**

There have been the following departures from Principle 5 during the year ending 30 June 2009:

Recommendations 5.1 – Due to the size and nature of the Company, the Board does not have written policies on disclosure. However the Company has the following principles in place:

- The Company will not endorse reports on its operations prepared by third parties.
- The Company will not respond to speculation and rumour except as required by the NSX.
- The CEO and Company Secretary have been appointed as the persons responsible for communications with the ASX.
- The Board is responsible for ensuring the compliance with the continuous disclosure requirements in the ASX listing rules and overseeing and co-ordinating information disclosure to the ASX.
- All material will be lodged as soon as practicable with the ASX.
- No undisclosed price sensitive information will be disclosed in any analyst meeting.

Principle 6:**RESPECT THE RIGHTS OF SHAREHOLDERS**

The Board and the Company Secretary are responsible for the communications strategy to promote effective communications with shareholders and encourage effective participation at general meeting. The Company adheres to best practice in its preparation of Notices of Meetings to ensure all shareholders are fully informed. Due to the size of the Company, all communications are prepared and administered in-house.

The Company actively encourages communications with their shareholders and has made available all forms of contact; phone, email, facsimile and post details on its website at www.foxinvest.com.au should any shareholder have a query.

The Company’s Half and Full Year Reports are a significant means of communicating to shareholders the Company’s activities, operations and performance over the past financial year. In accordance with the Company’s disclosure principles, these are publicly available on the ASX website.

There have been no departures from Principle 6 during the year ending 30 June 2009.

Principle 7:**RECOGNISE AND MANAGE RISK**

The Board is responsible for oversight of the Company's management system of internal controls. The Board constantly monitors the operation and financial aspects of Company activities and considers the recommendations and advice of external auditors and other external advisers on the operations and financial risks that face the Company.

The Board ensures that recommendations made by the external auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken to ensure that the Company has an appropriate internal control environment in place to manage the key risks identified.

In addition, the Board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties and the employment and training of suitably qualified and experienced personnel.

The Company obtains statements from its Chief Executive Officer and Chief Financial Officer that:

- the Company's financial reports present a true and fair view in all material respects, of the Company's financial condition and operational results are in accordance with the relevant accounting standards. Furthermore, the board of directors does, in its role, state to shareholders in the Company's accounts that they are true and fair, in all material respects
- the integrity of the financial statements is founded on a sound system of risk management and internal compliance and control which implements policies adopted by the board
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

There have been no departures from Principle 7 during the year ending 30 June 2009. The Board believes the Company's risk management and internal compliance and control procedures are operating efficiently and effectively in all material aspects appropriate for a Company of Fox Invest Limited's size and nature. The Board will continue to monitor this aspect of the Company closely, and will cause to be developed a comprehensive Risk Management Process and Policy document, additional to the material outlined above.

Principle 8:**REMUNERATE FAIRLY AND RESPONSIBLY**

The Company does not have any scheme for retirement benefits, other than statutory superannuation, for any directors.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the directors' report under the heading "Remuneration Report".

There have been the following departures from Principle 8 during the year ending 30 June 2009:

Recommendations 8.1 - Since the death of John Fries, who was Chairman of the Company until August 2009, the duties of the remuneration committee are undertaken by the Board.



AUDITOR'S INDEPENDENCE DECLARATION

TO THE DIRECTORS OF FOX INVEST LIMITED

Grant Thornton Queensland Partnership
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In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Fox Invest Limited for the year ended 30 June 2009, I declare that, to the best of my knowledge and belief, there have been:

- 1 no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- 2 no contraventions of any applicable code of professional conduct in relation to the audit

GRANT THORNTON QUEENSLAND PARTNERSHIP

Chartered Accountants

GRANT THORNTON

Matthew Bell
Partner

Brisbane

Dated 30 September 2009

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INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Income, gain / (loss) from ordinary activities	2	(6,241,022)	(5,781,190)
Management & administration fees		(375,240)	(448,503)
Due diligence costs		(228,899)	-
Other expenses from ordinary activities		(240,059)	(186,373)
Directors remuneration expense		(94,821)	(99,201)
Profit / (loss) from ordinary activities before income tax		(7,180,041)	(6,515,267)
Income tax expense / (benefit) relating to ordinary activities	4	-	(1,968,906)
Net profit / (loss) from ordinary activities after related income tax expense		(7,180,041)	(4,546,361)
Overall Operations:			
Basic earnings per share (cents per share)		(0.39)	(0.23)
Diluted earnings per share (cents per share)		(0.39)	(0.23)

The accompanying notes form part of these financial statements

BALANCE SHEET

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,041,999	671,508
Trade and other receivables	7	76,334	207,588
Financial assets	8	9,880,002	18,433,487
Current tax assets	9	5,810	5,810
Other current assets	10	264,325	8,535
TOTAL CURRENT ASSETS		11,268,470	19,326,928
NON-CURRENT ASSETS			
Deferred tax assets	9	-	799,640
TOTAL NON-CURRENT ASSETS		-	799,640
TOTAL ASSETS		11,268,470	20,126,568
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	792,140	90,752
TOTAL CURRENT LIABILITIES		792,140	90,752
NON-CURRENT LIABILITIES			
Deferred tax liabilities	9	-	799,640
TOTAL NON-CURRENT LIABILITIES		-	799,640
TOTAL LIABILITIES		792,140	890,392
NET ASSETS		10,476,330	19,236,176
EQUITY			
Issued capital	12	18,218,178	19,710,583
Reserves		-	87,400
Retained earnings / (Accumulated losses)		(7,741,848)	(561,807)
TOTAL EQUITY		10,476,330	19,236,176

The accompanying notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2009

	Note	Share Capital Ordinary A class \$	Retained Earnings \$	Options Reserve \$	Total \$
Balance at 01-07-2007		19,620,679	6,333,573	84,058	26,038,310
Shares issued during the year		1,372,979	-	-	1,372,979
Costs for share issue		(4,325)	-	-	(4,325)
Shares bought back during the year		(1,278,750)	-	-	(1,278,750)
Share based payments for directors		-	-	3,342	3,342
Profit attributable to members		-	(4,546,361)	-	(4,546,361)
Sub-total		19,710,583	1,787,212	87,400	21,585,195
Dividends paid or provided for	16	-	(2,349,019)	-	(2,349,019)
Balance at 30-06-2008		19,710,583	(561,807)	87,400	19,236,176
Balance at 01-07-2008		19,710,583	(561,807)	87,400	19,236,176
Shares issued during the year		-	-	-	-
Shares bought back during the year		(1,579,805)	-	-	(1,579,805)
Directors' options reserve transferred to share capital on expiration of options		87,400	-	(87,400)	-
Loss attributable to members		-	(7,180,041)	-	(7,180,041)
Sub-total		18,218,178	(7,741,848)	-	10,476,330
Dividends paid or provided for	16	-	-	-	-
Balance at 30-06-2009		18,218,178	(7,741,848)	-	10,476,330

The accompanying notes form part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2009

	Note	2009 \$	2008 \$
Cash flow from operating activities			
Proceeds from trading investments		23,244,193	5,348,370
Payments for trading investments		(20,972,094)	(9,376,614)
Investment income		557,078	1,053,870
Payments to suppliers & directors		(503,641)	(273,551)
Payments related to management and investment trading		(375,240)	(448,503)
Income tax refund		-	4,960
Net cash provided by / (used in) operating activities	20	1,950,296	(3,691,468)
Cash flow from financing activities			
Proceeds from the issue of shares		-	596,995
Proceeds from the exercising of options		-	762,315
Shares bought back		(1,579,805)	(1,265,081)
Payment of costs relating to share issue		-	(4,325)
Dividends paid		-	(2,349,019)
Net cash provided by financing activities		(1,579,805)	(2,259,115)
Net increase (decrease) in cash and cash equivalents held		370,491	(5,950,583)
Cash and cash equivalents at the beginning of the financial year		671,508	6,622,091
Cash and cash equivalents at the end of the financial year	6	1,041,999	671,508

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2009

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, including Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Fox Invest Limited is a listed public company incorporated and domiciled in Australia.

The financial report of Fox Invest Limited complies with all International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the company in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated. The financial statements were authorised for issue by the Directors on 30th September 2009.

Basis of preparation

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting policies

a. Revenue recognition

The activity of the company is that of an investment company, returns being in the form of dividends, trust distributions, interest income, trading income and options income.

Dividend income is recognised at the ex-dividend date.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Realised gains and losses arising from the disposal of equity investments are recognised in the Income statement as investment gains or losses.

Premiums on options are recognised as income when an option is written.

b. Financial assets at fair value through profit or loss

Under AASB 139 marketable securities are designated in the Balance sheet as “financial assets at fair value through profit and loss”. These investments are initially recognised at fair value, typically represented by cost including transaction costs. Investments are measured at fair value and include transaction costs. Investments are valued based on quoted bid market prices at balance date. Gains and losses from changes in the fair value of the financial assets are included in the Income statement in the period in which they arise.

In accordance with IFRS, derivative instruments are categorised as “financial assets at fair value through profit or loss” and are accounted for at fair value, with changes to such values to be recognised through the Income statement in which they arise. Open options positions are valued based on quoted bid market prices at balance date. Gains and losses from changes in the fair value of the financial assets are included in the Income statement in the period in which they arise.

Available-for-sale financial assets

Shares in unlisted corporation

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management.

They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

c. Cash

For the purposes of the statement of cash flows, cash includes cash on hand and at call with banks or financial institutions, net of bank overdrafts; and investments in money market instruments with less than 30 days to maturity.

d. Income tax

The charge for current income tax expense is based on the result for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

e. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, GST is recognised as part of the costs of acquisition of the asset or as part of an expense item. Receivables and payables in the statement of financial position are shown inclusive of GST.

f. Impairment

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company

Key judgments

Valuation of shares in unlisted corporation

The company purchased 675,000 shares in Freeman Fox Securities Pty Ltd (formerly Manorbeach Pty Ltd) during the year at a cost of \$500,000. This investment has been recorded in the balance sheet at 30 June 2009 at its original purchase cost of \$500,000.

Pursuant to the requirements of AASB 139 Financial Instruments: Recognition and Measurement, the investment is to be valued at fair value. In the case of this investment however, fair value cannot be determined by reference to a quoted price in an active market. Measurement of fair value by other valuation techniques may be acceptable where it is considered that there is no significant variation in the range of fair value estimates. Given the complex and diverse nature of the businesses and assets owned by Freeman Fox Securities Pty Ltd, the directors have determined that the variation in the range of fair value estimates of these assets is significant.

As a result the directors have determined that the investment in Freeman Fox Securities Pty Ltd should be

recorded at cost. In determining whether the asset is impaired, consideration has been given to the valuation of Freeman Fox Securities Pty Ltd's primary asset, its funds under management and advice, and the multiples at which these assets have been traded within the last 12 months. Based on this assessment the Board is comfortable that the asset is not impaired.

g. New accounting standards and Australian Accounting Interpretations

The AASB has issued new, revised and amended standards and interpretations that have mandatory application dates for future reporting periods. The company has decided against early adoption of these standards. A discussion of those future requirements and their impact on the company follows:

- AASB 3: Business Combinations, AASB 127: Consolidated and Separate Financial Statements, AASB 2008-3: Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127 [AASBs 1, 2, 4, 5, 7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2008-7: Amendments to Australian Accounting Standards — Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate [AASB 1, AASB 118, AASB 121, AASB 127 & AASB 136] (applicable for annual reporting periods commencing from 1 January 2009). These standards are applicable prospectively and so will only affect relevant transactions and consolidations occurring from the date of application. The following changes to accounting requirements are included:
 - » acquisition costs incurred in a business combination will no longer be recognised in goodwill but will be expensed unless the cost relates to issuing debt or equity securities;
 - » contingent consideration will be measured at fair value at the acquisition date and may only be provisionally accounted for during a period of 12 months after acquisition;
 - » a gain or loss of control will require the previous ownership interests to be remeasured to their fair value;
 - » there shall be no gain or loss from transactions affecting a parent's ownership interest of a subsidiary with all transactions required to be accounted for through equity (this will not represent a change to the Company's policy);
 - » dividends declared out of pre-acquisition profits will not be deducted from the cost of an investment but will be recognised as income;
 - » impairment of investments in subsidiaries, joint ventures and associates shall be considered when a dividend is paid by the respective investee; and
 - » where there is, in substance, no change to company interests, parent entities inserted above existing companies shall measure the cost of its investments at the carrying amount of its share of the equity items shown in the balance sheet of the original parent at the date of reorganisation.

As the entity has not been a party to a business combination this standard is not expected to have any impact on the entity's financial report.

- AASB 8: Operating Segments and AASB 2007-3: Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038] (applicable for annual reporting periods commencing from 1 January 2009). AASB 8 replaces AASB 114 and requires identification of operating segments on the basis of internal reports that are regularly reviewed by the company's Board for the purposes of decision making. AASB 8 is a disclosure standard therefore has no impact on the entity's reported position and performance. The new standard will however result in changes to operating segments disclosures within the financial report.
- AASB 101: Presentation of Financial Statements, AASB 2007-8: Amendments to Australian Accounting Standards arising from AASB 101, and AASB 2007-10: Further Amendments to Australian Accounting Standards arising from AASB 101 (all applicable to annual reporting periods commencing from 1 January 2009). The revised AASB 101 and amendments supersede the previous AASB 101 and redefines the composition of financial statements including the inclusion of a statement of comprehensive income. There will be no measurement or recognition impact on the Company. If an entity has made a prior period adjustment or reclassification, a third balance sheet as at the beginning of the comparative period will be required.
- AASB 123: Borrowing Costs and AASB 2007-6: Amendments to Australian Accounting Standards arising

from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12] (applicable for annual reporting periods commencing from 1 January 2009). The revised AASB 123 has removed the option to expense all borrowing costs and will therefore require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the company.

- AASB 2008-1: Amendments to Australian Accounting Standard — Share-based Payments: Vesting Conditions and Cancellations [AASB 2] (applicable for annual reporting periods commencing from 1 January 2009). This amendment to AASB 2 clarifies that vesting conditions consist of service and performance conditions only. Other elements of a share-based payment transaction should therefore be considered for the purposes of determining fair value. Cancellations are also required to be treated in the same manner whether cancelled by the entity or by another party.
- AASB 2008-2: Amendments to Australian Accounting Standards — Puttable Financial Instruments and Obligations Arising on Liquidation [AASB 7, AASB 101, AASB 132 & AASB 139 & Interpretation 2] (applicable for annual reporting periods commencing from 1 January 2009). These amendments introduce an exception to the definition of a financial liability to classify as equity instruments certain puttable financial instruments and certain other financial instruments that impose an obligation to deliver a pro-rata share of net assets only upon liquidation.
- AASB 2008-5: Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-5) and AASB 2008-6: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project (July 2008) (AASB 2008-6) detail numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project. No changes are expected to materially affect the Company.
- AASB 2008-8: Amendments to Australian Accounting Standards — Eligible Hedged Items [AASB 139] (applicable for annual reporting periods commencing from 1 July 2009). This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation as a hedged item should be applied in particular situations and is not expected to materially affect the company.
- AASB 2008-13: Amendments to Australian Accounting Standards arising from AASB Interpretation 17 — Distributions of Non-cash Assets to Owners [AASB 5 & AASB 110] (applicable for annual reporting periods commencing from 1 July 2009). This amendment requires that non-current assets held for distribution to owners be measured at the lower of carrying value and fair value less costs to distribute.
- AASB Interpretation 15: Agreements for the Construction of Real Estate (applicable for annual reporting periods commencing from 1 January 2009). Under the interpretation, agreements for the construction of real estate shall be accounted for in accordance with AASB 111 where the agreement meets the definition of 'construction contract' per AASB 111 and when the significant risks and rewards of ownership of the work in progress transfer to the buyer continuously as construction progresses. Where the recognition requirements in relation to construction are satisfied but the agreement does not meet the definition of 'construction contract', revenue is to be accounted for in accordance with AASB 118. Management does not believe that this will represent a change of policy to the company.
- AASB Interpretation 16: Hedges of a Net Investment in a Foreign Operation (applicable for annual reporting periods commencing from 1 October 2008). Interpretation 16 applies to entities that hedge foreign currency risk arising from net investments in foreign operations and that want to adopt hedge accounting. The interpretation provides clarifying guidance on several issues in accounting for the hedge of a net investment in a foreign operation and is not expected to impact the company.
- AASB Interpretation 17: Distributions of Non-cash Assets to Owners (applicable for annual reporting periods commencing from 1 July 2009). This guidance applies prospectively only and clarifies that non-cash dividends payable should be measured at the fair value of the net assets to be distributed where the difference between the fair value and carrying value of the assets is recognised in profit or loss.

The company does not anticipate early adoption of any of the above reporting requirements and does not expect these requirements to have any material effect on the company's financial statements.

	Note	2009 \$	2008 \$
2 INCOME, GAIN/(LOSS) FROM ORDINARY ACTIVITIES			
Realised investment gain / (loss)		(5,043,696)	(2,107,978)
Unrealised investment gain / (loss)		(1,804,932)	(4,812,187)
Interest received		177,680	104,985
Dividend income		422,972	1,000,406
Trust distributions received		6,954	33,584
Total income, gain / (loss) from ordinary activities		(6,241,022)	(5,781,190)

3 SEGMENT INFORMATION

The company operates as an investment company acquiring and selling shares, units, options and warrants.

The company currently operates in one geographical segment being Australia.

4 INCOME TAX EXPENSE

a. The components of tax expense comprise:

Current tax		-	-
Deferred tax	9	-	(1,968,906)
		-	(1,968,906)

The prima facie tax on profit from ordinary activities before tax is reconciled to the income tax as follows:

Prima facie tax payable on profit from ordinary activities before income tax at 30%		(2,154,012)	(1,954,580)
Add:			
Assessable items per taxation treatment		52,456	264,607
Recognition of 2007 year interest deduction on instalment warrants		-	(163,487)
Directors option expense		-	1,003
Non deductible professional fees		81,667	-
Less:			
Rebateable fully franked dividends		(174,854)	(366,485)
Other		-	(644)
Deferred tax asset not recognised on tax loss		2,194,743	250,680
Income tax expense/(refund) attributable to profit from ordinary activities before income tax		-	(1,968,906)

The applicable weighted average effective tax rates are as follows: -% 30%

The decrease in the weighted average effective consolidated tax rate for 2009 is a result of not recognising tax losses as deferred tax asset.

	Note	2009 \$	2008 \$
5 AUDITORS REMUNERATION			
Remuneration of the auditor for :			
- Audit of the financial report		25,000	26,600
- Review of the half year report		12,189	10,358
- Other services:			
Taxation services		2,212	10,269
Due diligence services		68,538	-
		107,939	47,227
6 CASH & CASH EQUIVALENTS			
Cash at bank		1,041,999	671,508
		1,041,999	671,508
7 TRADE & OTHER RECEIVABLES			
Other debtors		76,334	207,588
		76,334	207,588
8 FINANCIAL ASSETS			
Financial assets at fair value through profit or loss			
Shares in listed corporations, at market value		4,508,786	4,151,955
Warrants on issue, at market value		-	8,281,532
Managed Funds, at market value		4,602,146	6,000,000
Open option positions, at market value		269,070	-
		9,380,002	18,433,487
Available-for-sale financial assets			
Shares in unlisted corporation, at cost	22(v)	500,000	-
		9,880,002	18,433,487
9 TAX			
a. Assets			
CURRENT			
Income tax refundable		5,810	5,810
NON CURRENT			
Deferred tax asset comprises :			
Transaction costs on equity raised		-	81,185
Carried forward tax loss		-	707,565
Other		-	10,890
		-	799,640
b. Liabilities			
NON CURRENT			
Deferred tax liabilities comprise:			
Fair value adjustments		-	(799,640)

	Note	2009 \$	2008 \$
c. Reconciliations			
i. Gross movements			
The overall movement in the deferred tax asset account is as follows:			
Opening balance		-	(1,968,906)
(Charge)/credit to income statement	4	-	1,968,906
Closing balance		-	-
ii. Deferred tax assets			
The movement in the deferred tax asset for each temporary difference during the year is as follows:			
Transaction costs on equity raised			
Opening balance		81,185	135,959
(Charge)/Credit to income statement		(81,185)	(54,774)
Closing balance		-	81,185
Carried forward tax losses			
Opening balance		707,565	125,429
(Charge)/Credit to income statement		(707,565)	582,136
Closing balance		-	707,565
Other			
Opening balance		10,890	-
(Charge)/Credit to income statement		(10,890)	10,890
Closing balance		-	10,890
iii. Deferred tax liabilities			
The movement in the deferred tax liabilities for each temporary difference during the year is as follows:			
Fair value adjustment			
Opening balance		(799,640)	(2,230,294)
(Charge)/Credit to income statement		799,640	1,430,654
Closing balance		-	(799,640)

Deferred tax assets not brought to account, the benefits of which will only be realised if the conditions for deductibility set out in Note 1(d) occur:

Deductible temporary differences: \$59,787 (2008 \$Nil)

Tax losses: operating losses \$2,445,423 (2008: \$250,680)

	Note	2009 \$	2008 \$
10 OTHER CURRENT ASSETS			
Prepayments	22(ii)	264,325	8,535
		264,325	8,535

11 TRADE & OTHER RECEIVABLES

Trade creditors		80,344	16,561
Other creditors *		677,833	222
Accrued expenses		33,963	73,969
		792,140	90,752

* This represents share purchases that settled post 30 June 2009.

12 CONTRIBUTED EQUITY

17,238,774 fully paid A class ordinary shares (2008: 19,643,813)		19,130,424	20,622,829
Capital raising costs		(912,246)	(912,246)
		18,218,178	19,710,583
A class ordinary shares			
At beginning of reporting year		19,643,813	19,795,439
Shares issued during the year :			
- options exercised 604,208 at an exercise price of \$1.2987/share		-	604,208
- dividends re-invested 548,568 at a re-investment price of \$1.1132/share		-	548,568
Shares bought back during the year – 2,405,039 A Class ordinary shares (2008: 1,304,402)*		(2,405,039)	(1,304,402)
		17,238,774	19,643,813

* At the company's Annual General Meeting in November 2008, it was resolved to extend the buy-back by 12 months to enable up to 20% of the issued ordinary shares to be bought back. At the date of this report 3,709,441 shares have been purchased under the buy-back plan at a cost of \$2,858,554. As part of this buy-back the company held 164,488 at 30 June 2009.

Effective 1 July 1998, the Corporations legislation in place abolished the concepts of authorised capital and par value shares. Accordingly, the Company does not have authorised capital or par value in respect of its issued shares.

The A class ordinary shares participate in dividends and the proceeds on winding up in proportion to the number of shares held. At shareholders meetings each A class ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

14 EARNINGS PER SHARE

Earnings used in the calculation of earning per share and dilutive earnings per share is the net profit after tax.		\$(7,180,041)	\$(4,546,361)
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Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	18,277,940	19,721,987
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	18,277,940	19,721,987

15 RESERVES

Options Reserve

The options reserve records items recognised as expenses on valuation of the directors' share options. With all options expiring during 30 June 2009 this reserve has been transferred to share capital.

16 DIVIDENDS

a. Distributions paid by the company	-	2,349,019
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A final dividend of 12.0 cents per share on each ordinary share held as at 25 October 2007 franked to 35.78% was paid on 16 November 2007.

b. Dividend Franking Account

Balance of franking account at year end adjusted for franking credits arising from payment of provision for income tax and dividends recognised as receivables, franking debits arising from payment of proposed dividends and franking credits that may be prevented from distribution in subsequent financial years.	1,066,301	531,242
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17 COMMITMENTS

The company does not have any future capital or lease commitments.

18 CONTINGENT LIABILITIES

The Directors are not aware of any contingent liabilities as at 30 June 2009.

19 SUBSEQUENT EVENTS

Subsequent to year end the company has continued with the on market share buy-back. Since year end an additional 614,793 shares have been purchased under the buy-back plan.

As announced to the market on 14 September 2009 the unaudited net tangible asset backing at 31 August 2009 was \$0.6612, this having increased from the net tangible asset backing at 30 June 2009 of \$0.6077.

20 CASH FLOW INFORMATION

Reconciliation of cash flow from operations with profit / (loss) from ordinary activities after income tax

Profit from ordinary activities after income tax	(7,180,041)	(4,546,361)
Non-cash flows in profit from ordinary activities		
Directors' options expense	-	3,342

Note	2009 \$	2008 \$
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(50,528)	(79,294)
(Increase)/decrease in other financial assets	8,492,094	5,640,112
(Increase)/decrease in current tax assets	-	(852)
(Increase)/decrease in other assets and prepayments	(40)	3,112
(Increase)/decrease in deferred tax asset	799,640	(538,252)
Increase/(decrease) in trade and other payables	688,811	(2,742,623)
Increase/(decrease) in deferred taxes payable	(799,640)	(1,430,652)
Cash flows from operations	1,950,296	(3,691,468)

21 FINANCIAL RISK MANAGEMENT

The company is exposed to a variety of financial risks including market risk (price risk and interest rate risk), credit risk and liquidity risk. The Board of the Company monitors these risk factors as part of regular reviews of financial performance and the portfolio.

Financial Risk Management Policies

The Audit and Risk Committee (ARC) has been delegated responsibility by the Board of Directors for, amongst other issues, monitoring and managing financial risk exposures of the Company. The ARC monitors the Company's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to market risk, credit risk, liquidity risk and interest rate risk. The ARC met twice during the year and minutes of the ARC are reviewed by the Board.

The ARC's overall risk management strategy seeks to assist the Company in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of credit risk policies, market risk including review of the investment manager and future cash flow requirements.

	2009 \$	2008 \$
Classes of financial assets – carrying amounts		
Cash and cash equivalents	1,041,999	671,508
Trade and other receivables	76,334	207,588
Financial assets	9,880,002	18,433,487
Current tax assets	5,810	5,810
Other current assets	264,325	8,535
	11,268,470	19,326,928

a. Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. None of these assets are overdue or considered to be impaired.

The Company has no significant concentration of credit risk with any single counter party or group of counter parties. Credit risk related to balances with banks and other financial institutions is managed by the ARC in accordance with approved Board policy. Surplus funds are only invested with Australian major financial institutions. Credit risk related to open option positions is considered minimal due to the highly regulated environment that these positions are traded.

b. Market Risk

Market risk is the risk that the fair value of financial instruments will fluctuate because of changes in market prices. The Company is inherently exposed to market risk as it invests its capital in securities whose prices fluctuate, that is, that are not risk free.

The Company's market risk exposure is also impacted due to the illiquid nature of its investment in Freeman Fox Securities Pty Ltd, a private company. This is mitigated by an option the Company has to redeem this investment at its face value.

Detailed below are the effects on the Company's profit and equity of changes in the market risk, given the level of risk that the Company was exposed to at reporting date:

	2009 \$	2008 \$
Change in profit:		
- increase in market price of 10%	80,422	186,838
- decrease in market price of 10%	(80,422)	(186,838)
Change in equity:		
- increase in market price of 10%	80,422	186,838
- decrease in market price of 10%	(80,422)	(186,838)

The above price risk sensitivity analysis has been performed on the assumption that all other variables remain unchanged.

c. Interest Rate Risk

The company's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and liabilities is set out below:

30 June 2008	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Financial assets	-	18,442,022	18,442,022
Trade & receivables	-	207,588	207,588
Cash assets	671,508	-	671,508
	671,508	18,649,610	19,321,118
Weighted Average Interest Rate	7.61%		

30 June 2009	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Financial assets	-	9,880,002	9,880,002
Trade & receivables	-	76,334	76,334
Cash assets	1,041,999	-	1,041,999
	1,041,999	9,956,336	10,998,335
Weighted Average Interest Rate	4.99%		

d. Liquidity Risk

Liquidity risk is the risk that there will be difficulties in meeting obligations associated with financial liabilities. Cash flow is monitored daily with a view to any up-coming commitments such as dividends, asset acquisitions and tax payments. As the majority of the Company’s cash outflows relate to asset acquisitions, the level of these is managed by the Portfolio Manager with a view to available cash. Furthermore, cash can be generated if necessary by the sale of readily tradeable securities, which make up a substantial component of the portfolio.

e. Capital Management Strategy

Management controls the capital of the company in order to maintain adequate working capital, provide the shareholders with adequate returns and ensure that the company can fund its operations and continue as a going concern.

The Company’s capital includes ordinary share capital, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Company’s capital by assessing the Company’s financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

At the company’s Annual General Meeting in November last year it was resolved to extend the buy-back by 12 months to enable up to 20% of the issued ordinary shares to be bought back.

2009	2008
\$	\$

22 RELATED PARTY DETAILS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those otherwise available to other parties unless stated.

(i) Administration Fee

An administration fee of \$5,348 (\$5,253: 2008) per month plus goods and services tax, was paid by Fox Invest Limited to Fox Portfolio Pty Ltd, a company controlled by Mr Peter Spann during the year. This fee covers the provision of administration support services to the company. Fox Invest is a financial services provider and can only claim 75% of the GST paid. As such an unrecoverable expense of \$1,598 (\$1,576: 2008) in relation to the GST on the administration service fee is incurred.

65,774	64,613
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(ii) Management Fee

Fox Invest Limited paid an annual management fee to Freeman Fox Limited a company controlled by Mr Peter Spann during the year. Following the listing of the company on the Australian Stock Exchange on the 18th May 2007, the management fee, as outlined in the prospectus dated the 5th March 2007, was amended to an amount equal to: 3% (plus goods and services tax) of the paid up share capital of Fox Invest Limited up to and including \$5,000,000; 2.5% (plus goods and services tax) of the paid up share capital from \$5,000,001 up to and including \$10,000,000; and 1.0% (plus goods and services tax) of the paid up share capital above \$10,000,000. The management fee is calculated and paid monthly. This fee covers the provision of investment management services to the company. Fox Invest is a financial services provider and can only claim 75% of the GST paid. As such an unrecoverable expense of \$7,548 (\$9,214: 2008) in relation to the GST on the management fee is incurred.

Included in prepayments is an amount of \$255,750 being a prepayment of management fees for the 2010 year. A discount of 7% was given by Freeman Fox Limited in consideration for the prepayment.

309,466 383,765

(iii) Brokerage Fees

Fox Invest Limited is charged brokerage fees at a commercial rate for the provision of broking services by E-Trade. Freeman Fox Limited receives a financial benefit from E-Trade in relation to the broking transactions it undertakes on the Company's behalf.

- -

(iv) Entry Fees

A commercial up-front entry fee of 0.8% + GST was charged on investments into the Emergent and Maximiser managed fund products. The fund manager of these products is Fox Portfolio Pty Ltd, a company controlled by Mr Peter Spann. Fox Invest is a financial services provider and can only claim 75% of the GST paid. As such an unrecoverable expense of \$Nil (2008: \$1,200) in relation to the GST on the entry fee is incurred.

- 49,200

(v) Investments in related entities

On the 20th January 2009, Fox Invest Ltd acquired 675,000 shares (5%) in Freeman Fox Securities Pty Ltd (previously known as Manor Beach Pty Ltd) at a cost of \$500,000, a private company, 100% owned ultimately by the managing director Mr Peter Spann.

Freeman Fox Securities Pty Ltd is the parent company of the Freeman Fox Group and its associated business operations. The directors are of the opinion that the investment is on at least an arm's length basis and does not constitute a substantial asset as defined in the ASX listing rules.

This acquisition was made as a pre-cursor to a potential further investment in the Freeman Fox Securities Pty Ltd by Fox Invest Ltd. In this regard due diligence and valuation procedures are being undertaken. Further investment will require an independent expert report and shareholder approval. The directors will keep the shareholders and the market informed on progression.

500,000 -

The following amounts are the market value of NSX listed director related entities held by the company at year end:

- Property Fox No 1 Ltd 316,500
- Property Fox No 2 Ltd 12,833

-

(vi) Consultancy services

Consultancy services regarding the due diligence of the Freeman Fox Group were provided by Woolcott Corporate Development Pty Ltd, a company which Howard Woolcott is a director.

60,060

23 COMPANY DETAILS

The registered office and principal place of business of the company is:

Level 21
333 Ann Street
BRISBANE QLD 4000

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes, as set out in pages 8 to 24, are in accordance with the Corporations Act 2001:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2009 and of the performance for the year ended on that date of the company.
2. The Chief Executive Officer has declared that:
 - a. The financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. The financial statements and notes for the financial year comply with the Accounting Standards;
 - c. The financial statements and notes for the financial year give a true and fair view;
3. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors:



Director
Peter John Spann

Dated this 30th day of September 2009



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FOX INVEST LIMITED

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Report on the Financial Report

We have audited the accompanying financial report of Fox Invest Ltd, 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 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 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. 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 the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control 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 control. 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 opinions.

Independence

In conducting our audit, we complied with applicable independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

- 1 the financial report of Fox Invest Limited is in accordance with the Corporations Act 2001, including:
 - a giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
 - b complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- 2 the financial report also complies with International Financial Reporting Standards as disclosed in Note 1

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 4 to 5 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 Fox Invest Limited for the year ended 30 June 2009, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON QUEENSLAND PARTNERSHIP

Chartered Accountants

GRANT THORNTON

Matthew Bell
 Partner

Brisbane

Dated 30 September 2009

ADDITIONAL INFORMATION

TRANSACTIONS AND BROKERAGE

During the year ended 30 June 2009, the company recorded 347 transactions in securities. \$446,391 in brokerage (including GST) was paid or accrued during the year.

SHARE CAPITAL

Fox Invest Limited has on issue 19,472,158 fully paid ordinary shares held by 1,012 holders as at 15 October 2009. All ordinary shares of the company carry one vote per share.

Twenty Largest Shareholders

Rank	Investor Name	Total Units	Issued Capital (%)
1	Mr Leslie J & Mrs Brenda K Irwin	621,856	3.69
2	Fox Invest Limited	250,351	1.48
3	Mr Peter F Garland	200,000	1.19
4	VJE Pty Ltd <The VJE Retirement Fund A/C>	110,779	0.66
5	Mr Trevor J & Mrs Joanne E O'Shea <Gaiwood Super A/C>	108,300	0.64
6	MH & WJ Howard <Super A/C>	100,000	0.59
7	Keeshan Pty Ltd <Wilson Family A/C>	100,000	0.59
8	Mr Gregory P McKnight	100,000	0.59
9	Mrs Filiz & Mr Selcuk Oztosun	100,000	0.59
10	Rosemount (Caulfield) Pty Ltd <Christine M Coventry Super Fund>	100,000	0.59
11	Ms Judith R Sharples & Ms Rosemary C Phoenix <Seascape Super Fund A/C>	100,000	0.59
12	Mr Bradley P & Mrs Alison L Stringfellow <Midary Super A/C>	100,000	0.59
13	Mr Ian DA Taylour (ATF Taylour Super Fund A/C>	99,989	0.59
14	Gracehill Pty Ltd <Ritchie Pension Fund A/C>	92,401	0.55
15	Sinvest Pty Ltd (Havelock Super Fund A/C>	90,000	0.53
16	Mr David S Hooper	80,000	0.47
17	Judy's Choice Pty Ltd	80,000	0.47
18	Grahame R & Maria E Shelley <Shelley Family Super A/C>	80,000	0.47
19	Mr Christopher A Edmestone	79,209	0.47
20	Alan J, Lesley A & Glen D Kruger <ALG Super Fund A/C>	73,000	0.43
Total		2,665,885	15.80

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of shareholders by size of holding

Rank	No. of Holders	Units	Issued Capital (%)
1 - 1,000	25	17,890	0.11
1,001 - 5,000	135	500,710	2.97
5,001 - 10,000	249	2,236,060	13.25
10,001 - 50,000	448	10,347,485	61.32
50,001 - 100,000	33	2,480,901	14.70
100,001 and over	5	1,291,286	7.65
Total	895	16,874,332	100.00

There were 13 shareholders holding less than a marketable parcel (\$500) based on a market price of \$0.57 at the close of trading on 15 October 2009.

CORPORATE DIRECTORY

Directors

Michael Willis
Peter Spann
Howard Woolcott

Company Secretaries

Peter Spann
Craig Burbury

**Principal registered
office in Australia**

Level 21, Freeman Fox House
333 Ann Street
Brisbane QLD 4000
(07) 3031 9999

Share Registry

Link Market Services
Level 12, 680 George Street
Sydney NSW 2000

Auditor

Grant Thornton
Level 4, Grant Thornton House
102 Adelaide Street
Brisbane QLD 4000

Solicitors

Clayton Utz
Level 28, 71 Eagle Street
Brisbane QLD 4000

Bankers

National Australia Bank Ltd
180 Queen Street
Brisbane QLD 4000

Website address

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